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# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

*[Statement + Speech]*

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Notes for an Address by the Hon. Barney Danson  
Minister of State for Urban Affairs  
to the Canadian Institute of Public Affairs  
Toronto, January 25, 1975





NOTES FOR AN ADDRESS BY THE HON. BARNEY DAINSON, MINISTER  
OF STATE FOR URBAN AFFAIRS TO THE CANADIAN INSTITUTE  
OF PUBLIC AFFAIRS TORONTO, JANUARY 25, 1975

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SPEAKING ABOUT TORONTO IS ONE OF MY FAVOURITE  
OCCUPATIONS -- PARTICULARLY IN OTTAWA - AND I WANT TO  
THANK THE INSTITUTE FOR GIVING ME THIS OPPORTUNITY TO DO  
IT AT HOME. AS A NATIVE TORONTONIAN AND AS A METRO AREA  
MEMBER OF PARLIAMENT, I AM PROUD OF ITS VITALITY AND DIVERSITY.

BUT AS MINISTER OF STATE FOR URBAN AFFAIRS, I AM  
CONCERNED ABOUT THE SAME PROBLEMS THAT HAVE BROUGHT US TO-  
GETHER TODAY. IT IS NO CONSOLATION TO KNOW THAT THE  
PROBLEMS YOU WILL BE DISCUSSING AFFLICT MOST LARGE AND GROWING  
METROPOLITAN AREAS. AND EVEN THOUGH TORONTO HAS SO FAR MANAGED  
TO ESCAPE THE MOST DISTURBING OF THESE PROBLEMS, I BELIEVE WE  
STILL HAVE ENOUGH TO CONCERN US. WE CERTAINLY HAVE NO ROOM FOR  
COMPLACENCY.

IN MANAGING METROPOLITAN GROWTH, AS WELL AS IN MANY  
OTHER FIELDS OF ACTIVITY, WE SEEM TO BE HEARING MORE AND MORE  
ABOUT "TRADE-OFFS." IN FACT, TRADE-OFF IS HEARD SO OFTEN THAT  
IT IS IN DANGER OF BECOMING A BUZZ WORD.

EVEN BUZZ WORDS HAVE THEIR PLACE I SUPPOSE, BUT IT  
SEEMS TO ME THEY ARE BEING USED, NOT TO REPRESENT AN ACTION,  
BUT TO REPLACE IT. LEADERS DO NOT TAKE DECISIONS ANYMORE,  
THEY DISCUSS TRADE-OFFS. YOU DON'T SEEM TO HEAR ABOUT PROS







AND CONS OR COSTS AND BENEFITS. THEY, TOO, HAVE BEEN REPLACED BY TRADE-OFFS.

WELL, DESPITE WHAT MANY WOULD HAVE US BELIEVE, A TRADE-OFF IS REALLY NOTHING NEW - JUST A NEW WORD FOR AN OLD FUNCTION. REGARDLESS OF WHAT YOU CALL IT, THE ESSENCE OF GOVERNMENT HAS ALWAYS BEEN TO DECIDE WHAT SACRIFICES WILL BE REQUIRED IN THE INTERESTS OF WHAT BENEFITS.

TRADING OFF IS AS OLD AS HUMAN HISTORY. ADAM TRADED OFF THE GARDEN OF EDEN FOR A BITE OF THE FORBIDDEN APPLE. IN SO DOING HE SATISFIED AN IMMEDIATE APPETITE AT THE EXPENSE OF LONG TERM-HAPPINESS.

THE CONFLICT BETWEEN SATISFYING IMMEDIATE WANTS AND PRESERVING LONG-TERM NEEDS IS THE BASIS OF MANAGING URBAN GROWTH. IT SEEMS, WE ALL HAVE A BIT OF THE OLD ADAM IN US, READY TO JUMP TO MEET THE LATEST CRISIS OR TO SUCCUMB TO SEDUCTIVE PROPOSITIONS THAT WILL MAKE US HAPPY TODAY.

THIS SEMINAR ON CITY LIMITS: METRO TORONTO DWELLS ON THE PROBLEMS OF URBAN GROWTH, AND ITS VERY SUBJECT INDICATES THAT POPULAR OPINION IS SHIFTING TO A LONGER TERM VIEW.

UNTIL RECENTLY GROWTH WAS BLITHELY ACCEPTED AND EVEN ENCOURAGED BY TORONTONIANS. WE COULD NOT WAIT FOR THE DAY WHEN IT OVERTOOK MONTREAL.

THIS IS NO LONGER TRUE. A TELEPHONE SURVEY TAKEN BEFORE THE RECENT MUNICIPAL ELECTION AND REPORTED IN THE STAR, HAD THAT 42% FOUND IT BIG ENOUGH. ONLY 13% FAVOURED FURTHER GROWTH.







THIS CHANGE IN ATTITUDE IS IMPORTANT BECAUSE IT PROMISES POLITICAL LEADERS SIGNIFICANT SUPPORT FOR GROWTH-CONTROL MEASURES. WE HAVE INDICATIONS THAT MANY PEOPLE, AT LEAST IN PRINCIPLE, ARE PREPARED TO GIVE UP SOME IMPROVEMENT IN THE STANDARD OF LIVING, MEASURED IN ECONOMIC TERMS, FOR IMPROVEMENTS IN THE QUALITY OF LIFE, MEASURED IN SOCIAL TERMS.

I QUALIFIED MY STATEMENT WITH THE WORDS "IN PRINCIPLE" BECAUSE WHEN WE GET DOWN TO PARTICULARS, HUMAN NATURE HAS NOT CHANGED. IT STILL HAS A STREAK OF SELFISHNESS. IF SACRIFICES HAVE TO BE MADE, I AM SURE MOST OF US WOULD PREFER TO HAVE "THE OTHER GUY" MAKE THEM. WE ARE OFTEN WILLING TO TRADE-OFF SOMEONE ELSE'S STANDARD OF LIVING FOR IMPROVEMENTS IN OUR OWN QUALITY OF LIFE.

I SEEM TO WANT TO TALK ABOUT APPLES TODAY SO LET US STICK TO APPLES. IF A FRUIT FARMER SELLS HIS APPLE FARM FOR A PRICE THAT GIVES HIM A BETTER RETURN THAN GROWING APPLES, HE IS HAPPY. THE SPECULATOR WHO BUYS THE FARM SELLS IT AT A PROFIT; HE IS HAPPY. THE DEVELOPER BUILDS HOUSES AND MAKES MONEY; HE IS HAPPY. THE HOME-BUYER MOVES INTO HIS NEW HOUSE; HE IS HAPPY. THE LOCAL RETAIL MERCHANT GETS ANOTHER CUSTOMER; HE IS HAPPY.

IT IS A REAL TEST OF POLITICAL LEADERSHIP TO MAKE ALL THESE PEOPLE UNHAPPY TODAY IN ORDER THAT SOMEONE, A GENERATION FROM NOW, WILL HAVE APPLES TO EAT.

MOST PEOPLE ARE UNWILLING TO SUFFER INCONVENIENCE IN ORDER TO ACCOMMODATE THE LEGITIMATE NEEDS OF OTHERS. THIS IS



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ANOTHER ASPECT OF NORMAL HUMAN SELFISHNESS THAT WE HAVE TO  
CONTEND WITH IN CONSIDERING TRADE-OFFS.

IT IS NOT EASY FOR ANY GOVERNMENT TO INTRODUCE  
MEASURES WHICH CAUSE INCONVENIENCE FOR SOME PEOPLE. AND  
THIS IS ESPECIALLY TRUE WHEN THE BENEFITS OF THOSE MEASURES  
FALL UNEVENLY ON THE POPULATION, AND ARE ONLY APPARENT OVER  
THE LONG-TERM.

EVERYONE FAVOURS LOW-COST PUBLIC HOUSING, FOR EXAMPLE,  
BUT NOBODY WANTS IT BUILT NEXT DOOR.

I HAVE BEEN TALKING GENERALLY ABOUT THE VALUES AGAINST  
WHICH TRADE-OFFS MUST BE JUDGED AND WOULD NOW LIKE TO TURN TO  
SPECIFIC CASES.

ONE SUBJECT OF CURRENT INTEREST IN THIS REGION IS A  
NEW AIRPORT. IT TAKES A LONG TIME TO PLAN A NEW AIRPORT AND  
WHEN PLANS WERE MADE FOR A MAJOR INTERNATIONAL AIRPORT THE  
VALUES THAT EXISTED THEN WERE TAKEN INTO ACCOUNT. A NEW  
AIRPORT HAS TREMENDOUS IMPACT ON THE ECONOMY OF A REGION AND,  
FOR THAT REASON, THE PROVINCE DECIDED - RIGHTLY I BELIEVE -  
IT SHOULD BE LOCATED TO STIMULATE ECONOMIC GROWTH IN EASTERN  
ONTARIO RATHER THAN IN ALREADY FAST-GROWING SOUTH-WESTERN  
ONTARIO. BUT CONVENIENCE IS ALSO A FACTOR IN THE DECISION  
AND CONVENIENCE DICTATED THAT THE AIRPORT HAD TO BE RELATIVELY  
CLOSE TO THE MARKET, METRO TORONTO.

TORONTO AND EASTERN ONTARIO WOULD GET THE ECONOMIC BENE-  
FIT AND THE CONVENIENCE AT A TRADE-OFF PRICE OF GREATER GROWTH PRESSURE







ON THE GREATER TORONTO REGION.

METRO TORONTO FACES OTHER TRADE-OFFS. A 45-FOOT HEIGHT LIMIT IN CENTRAL TORONTO TRADES OFF MUNICIPAL TAX REVENUES AND UNPLANNED HIGH CONCENTRATION FOR AN ENVIRONMENT ON A MORE HUMAN SCALE THAN THAT OF HIGH-RISE BUILDINGS AND REDUCED CENTRE TOWN CROWDING.

THE SPADINA EXPRESSWAY WAS HALTED TO PREVENT FURTHER PRESSURES ON THE LAKE AREA AT A COST OF GROWING TRAFFIC CONGESTION IN THE WEST AND NORTH-WEST AREAS OF METRO.

NONE OF THESE DECISIONS ARE PERFECT BUT EACH WAS THE RESULT OF WEIGHING THE FACTORS, THE SHORT TERM AND LONG TERM IMPLICATIONS, THE ULTIMATE OBJECTIVES DESIRED, AND, NOT LEAST, THE POLITICAL IMPLICATIONS.

SUPPOSE THAT IF GOVERNMENTS WERE TO TAKE A "HANDS-OFF" VIEW OF METRO TORONTO'S GROWTH PROBLEMS, I BELIEVE THAT THE COUNTERVAILING ECONOMIC AND SOCIAL FORCES WOULD ULTIMATELY PROVE UNMANAGEABLE, IF NOT UNBEARABLE.

HOUSING AND LAND COSTS WOULD SKYROCKET, EVEN BEYOND WHAT THEY ARE TODAY. CONGESTION WOULD INCREASINGLY INTERFERE WITH THE MOVEMENT OF GOODS AND PEOPLE. COSTS OF LABOUR AND MATERIALS WOULD RISE. EVENTUALLY TORONTO WOULD NO LONGER ATTRACT EITHER JOBS OR PEOPLE. IF GOVERNMENTS LET THIS HAPPEN, IF METRO TORONTO WERE LEFT TO STEW IN ITS OWN JUICE, NO ONE WOULD THANK US FOR HAVING FAILED TO TAKE ACTION. STILL, THERE ARE THOSE WHO SAY THAT SUCH AN APPROACH IS DESIRABLE. THEY SAY THE ECONOMIC, SOCIAL AND ENVIRONMENTAL STRANGULATION THAT WOULD RESULT WOULD FORCE PEOPLE TO MOVE ELSEWHERE. I DO NOT THINK THAT IS AN ACCEPTABLE SOLUTION.





YET IF ACTION IS TAKEN, AS IT HAS AND IS BEING TAKEN, WE ARE DAMNED FOR INTERFERING WITH THE ECONOMIC AND SOCIAL CHOICES WHICH SO MANY ARGUE SHOULD NOT BE INTERFERED WITH BY THE GOVERNMENT, AT ANY LEVEL.

ANOTHER TRADE-OFF -- ONE THAT SOCIETY IS FINDING INCREASINGLY HARD TO MAKE -- IS THE SACRIFICE OF AGRICULTURAL LAND FOR URBAN DEVELOPMENT. ONLY 6% OF CANADA'S LAND IS UNDER INTENSIVE CULTIVATION. WITH THE FUTURE NEEDS FOR FOOD, AGRICULTURAL LAND HAS BECOME A RARE AND PRECIOUS ASSET.

MUCH OF THE BEST AGRICULTURAL LAND IS ON THE OUTSKIRTS OF EXPANDING COMMUNITIES. THIS IS UNDERSTANDABLE BECAUSE MOST OF OUR COMMUNITIES WERE FOUNDED ON THE SERVICING OF THE FARM INDUSTRY, AND CONSEQUENTLY, LOCATED IN GOOD AGRICULTURAL AREAS. THE PRESERVATION OF AGRICULTURAL LAND IS BECOMING A DOMINANT PRIORITY. THERE IS NOT A PROVINCE IN CANADA THAT IS NOT IMPLEMENTING OR CONSIDERING LAND USE REGULATIONS.

THE FEDERAL GOVERNMENT SYMPATHIZES WITH THIS PROVINCIAL CONCERN AND HAS INITIATED DISCUSSIONS TO DETERMINE HOW IT CAN HELP THE PROVINCES WITH LAND USE POLICIES.

ANOTHER TRADE-OFF AREA CONCERNS RECREATIONAL LAND AND ITS AVAILABILITY FOR URBAN RESIDENTS. RECREATIONAL LAND IS A LEGACY THAT WE OWE TO FUTURE GENERATIONS OF CANADIANS. YET VERY FEW ARE AWARE OF THE LOAD WE PUT ON RECREATIONAL LAND, AND





ON THE CONSEQUENCE OF CONVERTING IT TO OTHER USES. CANADIANS ARE ACCUSTOMED TO A LOT OF ELBOW ROOM AND WANT A VAST HINTERLAND TO WHICH THEY CAN GO TO RELAX -- NOT A BAD HERITAGE AND WELL WORTH PRESERVING.

COMPLAINTS ARE ALREADY BEING REGISTERED ABOUT AN EXCESS OF TOURISTS. THE MAYOR OF CORNWALL, FOR EXAMPLE, RECENTLY LODGED A PROTEST TO THE ONTARIO GOVERNMENT THAT THE VOLUME OF TOURISTS PREVENTED THE ACCESS OF LOCAL RESIDENTS TO NEARBY PARKS AND BEACHES. AS METRO TORONTO GROWS, AND ITS RESIDENTS SEEK BLESSED RELIEF AWAY FROM CITY LIFE, IT MAY BECOME NECESSARY TO PUT THEIR RECREATIONAL NEEDS AHEAD OF MORE IMMEDIATE ECONOMIC CONSIDERATIONS.

THE BUILDINGS THAT ARE IMPORTANT TO OUR HISTORY, OFTEN CONFLICT WITH COMMERCIAL NEEDS. THIS IS A VERY STICKY TRADE-OFF AREA BECAUSE IT SEEKS TO WEIGH THE INTANGIBLE WORTH OF A PIECE OF HISTORY AGAINST THE VERY TANGIBLE ECONOMIC RETURN FROM AN ALTERNATE USE OF THE PROPERTY. AT WHAT POINT ARE WE PREPARED TO PAY THE PRICE FOR PRESERVING A BUILDING. BUT THESE DECISIONS HAVE TO BE MADE AND THEY MAY EVEN BE MORE DIFFICULT IN A YOUNG NATION SUCH AS OURS WHERE SYMBOLS OF OUR HISTORY ARE PARTICULARLY PRECIOUS.

WE NEED A SYSTEM FOR MAKING RAPID DECISIONS ON THE PRESERVATION OF HERITAGE PROPERTIES AND FOR RE-IMBURSING OWNERS. THE NEED FOR SUCH A SYSTEM IS GLARING IN VIEW OF WHAT HAS HAPPENED RECENTLY IN MONTREAL





A WRECKER THERE RECENTLY DEMOLISHED A CLASSICAL VICTORIAN MANSION ON DRUMMOND STREET, WITHOUT THE PERMIT REQUIRED TO DO SO, IN SPITE OF A PICKET LINE OF INTERESTED CITIZENS, AND WHILE A MUNICIPAL DECISION TO PRESERVE IT WAS UNDER CONSIDERATION. HE WAS FINED \$500, THE LIMIT THAT THE LAW ALLOWED.

I AM NOT CRITICAL OF THE MUNICIPALITY OF MONTREAL; ON THE CONTRARY I WONDER HOW MANY CANADIAN COMMUNITIES HAVE PENALTIES EVEN AS STIFF AS MONTREAL'S.

THE CONCLUSION TO BE DRAWN FROM THE FOREGOING EXAMPLES IS THAT WHEN ONE COMES TO MANAGING GROWTH FOR AS VITAL AND COMPLEX A CENTRE AS METRO TORONTO IT IS NOT AN EASY TASK.

YET, I BELIEVE MOST WOULD AGREE THAT MASSIVE URBAN CENTRES, WHEN THEY GROW TOO QUICKLY, BECOME ALMOST UNMANAGEABLE. WHILE THEY CAN BE INTERESTING PLACES TO LIVE IN MANY RESPECTS, ON BALANCE THEIR UNLIMITED GROWTH CAN BE EXTREMELY UNCOMFORTABLE, EXPENSIVE AND INEFFICIENT ... AND PERHAPS EVEN UNNECESSARY.

CHANGING THIS TREND, OR EVEN AFFECTING IT SIGNIFICANTLY, IS DIFFICULT. EVEN MORE HIGHLY STRUCTURED OR CONTROLLED SOCIETIES, WITHOUT THE NEED FOR FEDERAL-PROVINCIAL AGREEMENT, HAVE NOT BEEN PARTICULARLY SUCCESSFUL IN SLOWING MIGRATION TO MAJOR CENTRES. FRANCE, ENGLAND, SWEDEN AND EVEN THE SOVIET UNION HAVE ALL BEEN DISAPPOINTED IN THEIR EFFORTS TO PREVENT EXCESSIVE CLUSTERING AROUND THEIR MAJOR CITIES.





IN CANADA WE ARE OPTIMISTIC BECAUSE WE HAVE SO MANY THINGS GOING FOR US. I HAVE ALREADY MENTIONED THE SHIFT IN PUBLIC SENTIMENT AGAINST GROWTH FOR ITS OWN SAKE. BUT WE ARE ALSO RELATIVELY IMMATURE IN A GROWTH SENSE AND HAVE THE SPACE AND THE EXPERIENCE OF MORE MATURE SOCIETIES TO GUIDE US.

ANOTHER PROMISING TREND HAS BEEN AN APPARENT CHANGE IN INTERNAL MIGRATION PATTERNS SINCE 1971 -- A CHANGE TOWARD A MORE EQUITABLE DISTRIBUTION OF POPULATION. IN THE TEN YEARS UP TO 1971 THERE WERE THREE PROVINCES WHICH WERE GAINING FROM INTERNAL MIGRATION: ONTARIO, BRITISH COLUMBIA AND ALBERTA. ALL THE REST WERE LOSERS. THIS NOW APPEARS TO BE CHANGING.

ONTARIO HAS EXPERIENCED A DOWNWARD SHIFT OF 52,000 IN ITS NET INTERNAL MIGRATION BETWEEN 1971 AND 1974. AS FAR AS RELIEVING GROWTH PRESSURE ON METRO TORONTO IS CONCERNED THIS IS A VERY WELCOME TREND. FEWER MARITIMERS ARE "GOING DOWN THE ROAD" AND IT APPEARS THAT MANY MAY BE RETURNING TO "DOWN HOME."

THE EFFECT OF THIS TREND, OR INDICATION OF A TREND, IS OF COURSE CANCELLED OUT BY INCREASED IMMIGRATION FROM ABROAD, AND FROM OUR OWN NATURAL INCREASE DUE TO THE EXCESS OF BIRTHS OVER DEATHS. CANADIANS WILL SOON BE GIVEN AN OPPORTUNITY TO EXPRESS THEMSELVES ON THE SUBJECT OF IMMIGRATION POLICY WHEN MY GOVERNMENT ISSUES ITS GREEN PAPER SOLICITING THE VIEWS OF CANADIANS. THERE ARE MANY TRADE-OFFS INVOLVED, AS WELL AS SOME VERY DIFFICULT MORAL JUDGEMENTS.





WHEN WE COME TO SIPHONING OFF GROWTH FROM METRO TORONTO TO NEARBY COMMUNITIES, WE INCREASINGLY FIND THE SAME KIND OF RESISTANCE TO GROWTH THAT WE FIND IN TORONTO. FACED WITH THIS RESISTANCE, ONE OF THE ALTERNATIVES IS THE CONSTRUCTION OF NEW TOWNS, AN APPROACH BEING PURSUED BY THE ONTARIO GOVERNMENT.

FINALLY, WHEN IT COMES TO TRADE-OFFS ON GROWTH, THE MUNICIPALITIES ARE LIMITED IN WHAT THEY CAN DO. THE FIRST DILEMMA THEY FACE IS THAT THEY CANNOT STOP PEOPLE AT THE GATES OF THE CITY. PEOPLE ARE ATTRACTED TO THE TORONTO REGION AND THEY MUST BE ACCOMMODATED. THEY MUST BE PROVIDED, NOT ONLY WITH HOUSING, BUT WITH SCHOOLS, ROADS, SEWERS, TRANSPORTATION AND SHOPPING FACILITIES.

THE SECOND DILEMMA IS THAT WHEN MUNICIPAL GOVERNMENTS MAKE THEIR CITIES MORE ATTRACTIVE TO PRESENT RESIDENTS THEY ALSO ENCOURAGE OTHERS TO COME. PARKS, BIKEWAYS, ZOOS, WATERFRONT RECREATIONAL FACILITIES, GOOD SCHOOLS, GOOD HOSPITALS, CULTURAL AMENITIES, ENTERTAINMENT -- AS ALL OF THESE IMPROVE LIFE IN METRO TORONTO, THE CITY BECOMES MORE ATTRACTIVE, FOR MANY, THAN LIFE ELSEWHERE. THE DILEMMA IS COMPOUNDED.

THE RELATIVE INABILITY OF CITIES TO CONTROL THEIR OWN GROWTH WAS WELL EXPRESSED IN THE BRIEF PRESENTED BY THE CANADIAN FEDERATION OF MAYORS AND MUNICIPALITIES TO THE LAST TRI-LEVEL CONFERENCE ON URBAN AFFAIRS IN EDMONTON. THIS BRIEF, IN EFFECT, SAID "THOSE WHO WANT AND NEED GROWTH CANNOT ATTRACT IT; THAT THOSE WHO RECEIVE GROWTH IN ABUNDANCE GENERALLY CANNOT DIGEST IT."



THE PATTERN OF URBAN GROWTH, ACROSS CANADA AND WITHIN PROVINCES, IS BECOMING OF INCREASING CONCERN TO PROVINCIAL GOVERNMENTS AND TO THE FEDERAL GOVERNMENT. METRO TORONTO'S PROBLEMS WITH RAPID GROWTH ARE REPEATED IN VANCOUVER, EDMONTON, CALGARY, VICTORIA AND OTTAWA. THE OPPOSITE PROBLEM OF SLOW GROWTH PREVAILS IN SASKATOON, REGINA, WINNIPEG, ST. JOHN AND ST. JOHN,S AND MONTREAL, WHICH HAS SIZE BUT RELATIVELY SLOWER GROWTH. WE IN THE FEDERAL GOVERNMENT ARE ADDRESSING OURSELVES TO THE PATTERN OF URBAN GROWTH. PERHAPS WE CAN HELP CITIES HANDLE THE GROWTH THEY ARE RECEIVING OR PERHAPS WE CAN TAKE STEPS TO HELP SPREAD THAT GROWTH MORE EVENLY.

THE TRADE-OFF DECISIONS WILL BE TOUGH, AS ARE ALL IMPORTANT POLITICAL DECISIONS. IT IS NOT ENOUGH TO SIMPLY BE OPPOSED TO GROWTH OR ITS MANIFESTATIONS. WHEN ONE IS OPPOSED TO THE PROPOSED SOLUTIONS, I.E., EXPRESSWAYS, AIRPORTS, HIGH RISE BUILDINGS, IT IS ESSENTIAL TO HAVE ALTERNATIVES, ACCEPTABLE IF NOT PERFECT ALTERNATIVES.

I DO NOT CONSIDER THIS A MATTER OF DESPAIR AS MUCH AS A MATTER OF GREATER UNDERSTANDING. THE VERY FACT THAT A GROUP AS PRESTIGIOUS AS YOURS IS DIRECTING YOUR ATTENTION TO THE PROBLEMS AND THE TRADE-OFFS, AND ATTRACTING THE ATTENTION OF OTHERS IN THE PROCESS IS ENCOURAGING. THE ESTABLISHMENT OF MY MINISTRY IS AN ENCOURAGING RECOGNITION OF OUR FEDERAL GOVERNMENT CONCERN. THE HOLDING OF A UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS IN VANCOUVER IN JUNE OF 1976 IS STILL FURTHER ENCOURAGEMENT.





I AM HOPEFUL AND EVEN OPTIMISTIC, THAT WE IN CANADA CAN MAKE SIGNIFICANT ADVANCES. MY MINISTRY IS DEEPLY INVOLVED WITH THE PROVINCES AND WITH MUNICIPALITIES ACROSS CANADA IN COMING TO GRIPS WITH THE PROBLEMS AND THE TRADE-OFFS NECESSARY IN THE SEARCH FOR SOLUTIONS. I CONSIDER THIS CRITICAL TO OUR FULFILLMENT AS A NATION, WITH A RICH AND PRECIOUS HERITAGE. I WELCOME THIS OPPORTUNITY TO DISCUSS THEM WITH YOU ... AND SHALL RESIST THE TRADE-OFF OF CONTINUING LONGER IN FAVOUR OF OUR DISCUSSION TO FOLLOW.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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HOUSE OF COMMONS

JANUARY 27, 1975

SECOND READING OF NHA AMENDMENTS

more private capital for housing  
privately funded AHOP  
assistance for rental housing  
leased land for non-profit housing  
increased sewage treatment assistance

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MR. SPEAKER:

IN MOVING SECOND READING OF THIS BILL TO AMEND THE NATIONAL HOUSING ACT, I AM VERY MUCH AWARE THAT IT WILL BE 40 YEARS IN JUNE SINCE THE FIRST FEDERAL HOUSING ACT WAS INTRODUCED IN THIS HOUSE.

IN THE LIGHT OF THE PRESENT VERY COMPREHENSIVE NATIONAL HOUSING ACT, THE DOMINION HOUSING ACT OF 1935 WAS PERHAPS NOT A VERY FAR-REACHING PIECE OF LEGISLATION. IT AUTHORIZED THE MINISTER OF FINANCE TO JOIN WITH A LENDING INSTITUTION, OR A LOCAL AUTHORITY, TO SHARE IN MAKING LOANS FOR BUILDING NEW HOUSES.

IT WAS SIGNIFICANT, HOWEVER, IN ANOTHER WAY. BY INTRODUCING THE DOMINION HOUSING ACT, THE GOVERNMENT OF CANADA ACCEPTED FOR THE FIRST TIME A PUBLIC RESPONSIBILITY AND OBLIGATION FOR THE WAY IN WHICH ALL CANADIANS WERE HOUSED.

SINCE THAT TIME, OF COURSE, WE HAVE PASSED THE NATIONAL HOUSING ACTS OF 1938, 1944 AND 1954 AND MORE THAN A DOZEN AMENDMENTS TO THE 1954 ACT, NOTABLY THE AMENDMENTS OF 1973 WHICH INTRODUCED THE VERY SUCCESSFUL ASSISTED HOME OWNERSHIP PROGRAM, NEIGHBORHOOD ASSISTANCE, RESIDENTIAL



REHABILITATION ASSISTANCE, THE NEW COMMUNITIES PROGRAM AND EXPANDED AND IMPROVED A NUMBER OF OTHER EXISTING PROGRAMS.

I MENTION THIS HISTORICAL BACKGROUND, MR. SPEAKER, AS A WAY OF PUTTING THE BILL WE ARE DISCUSSING INTO ITS PROPER PERSPECTIVE. SOME HONORABLE MEMBERS, AND OTHERS OUTSIDE OF THIS HOUSE, HAVE BEEN DISCUSSING THESE NEW MEASURES AS IF THEY WERE THE ONLY INSTRUMENTS IN THE HANDS OF THE GOVERNMENT FOR DEALING WITH THE COUNTRY'S HOUSING PROBLEMS -- AS IF THEY, BY THEMSELVES, WERE TO SERVE THE NEEDS OF PEOPLE OF ALL INCOMES IN ALL PARTS OF THE COUNTRY. THEY ARE, IN FACT, ONLY THE LATEST EXTENSIONS TO A VERY BROAD PIECE OF SOCIAL LEGISLATION WHICH HAS EVOLVED OVER THE YEARS TO MEET THE CHANGING DEMANDS AND EXPECTATIONS OF CANADIANS.

I WOULD LIKE TO SPEAK FIRST ABOUT THE TWO SECTIONS OF THIS BILL WHICH ARE MOST DIRECTLY RELATED TO HOUSING -- THAT IS, THE PROPOSALS WHICH OFFER CONTRIBUTIONS IN SUPPORT OF PRIVATE FUNDS FOR FINANCING HOME-OWNERSHIP AND THE CREATION OF HOUSING FOR RENTAL AT MODERATE RATES.

THESE PROGRAMS HAVE PURPOSES WHICH COULD BE DESCRIBED VERY GENERALLY IN THREE WAYS -- AS SOCIAL, FINANCIAL AND ECONOMIC.

AS SOCIAL HOUSING PROGRAMS, THEY ARE INTENDED TO HELP A SUBSTANTIAL NUMBER OF CANADIAN FAMILIES EITHER TO BUY THEIR OWN HOMES OR TO RENT SUITABLE ACCOMMODATION AT A COST THEY CAN AFFORD. THE PRIVATELY FUNDED AHOP PROGRAM AND THE PRIVATELY FUNDED RENTAL HOUSING PROGRAM WIDEN THE RANGE OF CHOICES WHICH ARE AVAILABLE TO CANADIANS TO DEAL WITH THEIR HOUSING NEEDS. THEY ARE NOT A REPLACEMENT FOR ANY EXISTING PROGRAMS.

THEY DO NOT REPLACE THE FEDERAL GOVERNMENT'S LONG-STANDING PUBLIC HOUSING PROGRAM WHICH, FOR MANY PEOPLE THROUGHOUT THE COUNTRY, REPRESENTS THE BEST SOLUTION TO THEIR PROBLEMS.

THEY DO NOT REPLACE THE FEDERAL GOVERNMENT'S NON-PROFIT HOUSING PROGRAM BY WHICH LOCAL NON-PROFIT ORGANIZATIONS ARE HELPED TO ACQUIRE OR CREATE RENTAL HOUSING TO MEET THE NEEDS OF PEOPLE IN THE COMMUNITY.

THEY DO NOT REPLACE FEDERAL GOVERNMENT PROGRAMS OF ASSISTANCE TO CO-OPERATIVE HOUSING.

THEY DO NOT EVEN REPLACE THE EXISTING AHOP PROGRAM WHICH, DURING 1974, THROUGH DIRECT CMHC LOANS AND INTEREST-REDUCING GRANTS, ALLOWED SOME 20,000 CANADIAN FAMILIES TO BECOME HOME-OWNERS.

THEY DO NOT REPLACE ANY OF THESE HOUSING PROGRAMS, BUT ARE ADDED TO THEM, INCREASING THE OPTIONS, MULTIPLYING THE WAYS IN WHICH PEOPLE CAN BE HELPED.

AT THE SAME TIME, THESE TWO NEW PROGRAMS FOR HOME-OWNERSHIP AND HOUSING RENTAL ARE FINANCIAL MEASURES. AS HONORABLE MEMBERS ARE AWARE, THE GOVERNMENT THROUGH CMHC, INVESTED SOME \$450 MILLION IN PUBLIC CAPITAL IN AHOP IN 1974. BUT EVEN THESE VERY SUBSTANTIAL FUNDS, WHICH HAD BEEN INCREASED FROM THE INITIAL COMMITMENT, RAN OUT BEFORE THE YEAR ENDED. IT BECAME EVIDENT, MR. SPEAKER, THAT IF THIS PROGRAM WAS TO BE EXPANDED TO MEET THE EXPECTATIONS OF CANADIAN FAMILIES, IT WOULD REQUIRE A VERY CONSIDERABLE INFUSION OF NEW CAPITAL. TAKING INTO ACCOUNT THE WHOLE RANGE OF PUBLIC-CAPITAL REQUIREMENTS, IT SEEMED THE MOST EFFICIENT USE OF AVAILABLE RESOURCES WOULD BE TO ATTRACT THIS CAPITAL FROM PRIVATE SOURCES. WHAT WE ARE DOING THEREFORE, IS MAKING GRANTS AVAILABLE, UNDER CERTAIN TERMS AND CONDITIONS, FOR FAMILIES WHO CAN OBTAIN AN NHA-INSURED MORTGAGE FROM AN APPROVED LENDER TO BUY A NEW MODERATELY-PRICED HOUSE AND WHO NEED SOME HELP TO KEEP THE MONTHLY PAYMENTS TO A REASONABLE PROPORTION OF THEIR INCOME. WE ARE PUTTING UP THE MONEY FOR THE GRANT BUT THE CAPITAL IS BEING PROVIDED BY PRIVATE LENDERS. THE PROGRAM



SHOULD SUBSTANTIALLY INCREASE PRIVATE INVESTMENT IN HOUSING AND PARTICULARLY IN MODERATELY-PRICED HOUSING.

IN A SIMILAR WAY, WHERE THE BUILDER OR OWNER OF A RENTAL-HOUSING PROJECT CAN OBTAIN AN NHA-INSURED MORTGAGE FROM AN APPROVED LENDER, WE WILL ENTER INTO AN AGREEMENT WITH HIM. IF HIS PROJECT SEEMS SUITABLE, WE WILL MAKE A CONTRIBUTION TO HIM TO HELP HIM BRIDGE THE GAP BETWEEN HIS INTEREST PAYMENTS AND THE RATE HE NEEDS ON CONDITION THAT HE CHARGE REASONABLE RENTS TO HIS TENANTS WHICH DIRECTLY REFLECT THE LEVEL OF THE FEDERAL ASSISTANCE. DURING THE TERM OF THE AGREEMENT, WHICH MAY BE FOR 15 YEARS, HE MUST PASS ALONG THE BENEFIT BY ACCEPTING A FAIR AND REASONABLE RENT WHICH WOULD BE ARRIVED AT ON THE ADVICE OF LOCAL CMHC OFFICIALS AND IN THE LIGHT OF LOCAL CONDITIONS AND THE QUALITY OF THE ACCOMMODATION.

I WOULD LIKE TO REMIND THE HONORABLE MEMBERS, MR. SPEAKER, THAT UNDER NEITHER OF THESE PROGRAMS, DOES THE FEDERAL GOVERNMENT OR ITS AGENCY PAY GRANTS TO BANKS, TRUST COMPANIES OR OTHER LENDING INSTITUTIONS. IN ONE CASE THE MONEY GOES TO THE FAMILY WHICH BUYS THE HOME AND, IN THE OTHER CASE, IT GOES TO THE BUILDING OWNER ON THE CONDITION THAT HE ENTERS AN AGREEMENT ABOUT RENTS TO BE CHARGED.

I HAVE BEEN VERY PLEASED TO HEAR THE REACTION OF BUILDERS IN ALL PARTS OF CANADA WHO BELIEVE THESE TWO PROGRAMS WILL GIVE A VERY SUBSTANTIAL IMPETUS TO HOUSING PRODUCTION IN 1975. IF THEIR EXPECTATIONS ARE BORNE OUT, IT COULD MEAN THE INJECTION OF A BILLION DOLLARS OR MORE OF ADDITIONAL PRIVATE-SECTOR CAPITAL INTO HOUSING IN CANADA, ESPECIALLY FOR HOUSING IN THE LOW AND MODERATE-PRICE RANGE.

FINALLY, IF I CAN MAKE THE DISTINCTION, THE THIRD PURPOSE OF THESE NEW HOUSING PROGRAMS WOULD BE ECONOMIC, HONORABLE MEMBERS ARE VERY MUCH AWARE OF THE DECLINE IN HOUSING PRODUCTION WHICH HAS TAKEN PLACE IN RECENT MONTHS DUE TO A NUMBER OF FACTORS INCLUDING THE PHENOMENON OF WORLD-WIDE INFLATION. WE ARE ALL AWARE ALSO, MR. SPEAKER, THAT HOUSING IS A CRITICAL ELEMENT IN THE NATIONAL ECONOMY. A SPEEDING-UP OF HOUSING PRODUCTION NOW WOULD NOT ONLY PROVIDE MORE CANADIAN FAMILIES WITH SHELTER IT WOULD HAVE A WIDE-RANGING IMPACT ON EMPLOYMENT IN THE HOUSING INDUSTRY, IN THE MANY INDUSTRIES THAT PROVIDE BUILDING MATERIALS AND EQUIPMENT, AND ON ALL THOSE GOODS AND SERVICES WHICH FAMILIES REQUIRE WHEN THEY ESTABLISH A NEW HOME -- STOVES, REFRIGERATORS, FURNITURE, CARPETS -- THE IMPLICATIONS ARE ALMOST ENDLESS.

THE EFFECT OF THE ADDITIONAL DOLLARS INVESTED IN HOUSING WOULD BE MULTIPLIED THROUGHOUT THE ECONOMY,

I WOULD LIKE TO REMIND HONORABLE MEMBERS, HOWEVER, OF A POINT I HAVE MADE OFTEN BEFORE -- THAT HOUSING IS NOT JUST A COMMODITY BUT A SOCIAL NEED AND THAT HOUSING INVESTMENT SHOULD NOT BE TURNED OFF AND ON FOR THE SAKE OF MANIPULATING THE ECONOMY. INDEED, FEDERAL EXPENDITURES ON HOUSING HAVE INCREASED YEAR AFTER YEAR, REGARDLESS OF ECONOMIC CONDITIONS. IN THE PRESENT CIRCUMSTANCES, HOWEVER, IT IS QUITE APPARENT THAT PEOPLE'S SOCIAL NEEDS AND THE HEALTH OF THE ECONOMY WOULD BE VERY WELL SERVED BY A MASSIVE STIMULATION OF THE RESIDENTIAL-CONSTRUCTION INDUSTRY.

IN CASE THERE SHOULD BE ANY DOUBT, HOWEVER, LET ME EMPHASIZE THAT THE FIRST CONCERN OF THIS GOVERNMENT IS WITH THE HUMAN DIMENSION OF HOUSING, WITH OUR COMMITMENT TO PROVIDE EVERY CANADIAN WITH ACCESS TO GOOD HOUSING IN A SAFE AND SATISFYING COMMUNITY ENVIRONMENT, AT A COST HE CAN AFFORD. WHILE WE ARE ATTACKING HIGH COSTS WITH FINANCIAL AND ECONOMIC POLICY, WE ARE EQUALLY CONCERNED, AT THE SAME TIME, TO HELP THOSE PEOPLE WHO ARE MOST VULNERABLE. THE WHOLE RANGE OF NHA SOCIAL-HOUSING PROGRAMS, AND PROGRAMS AIMED AT THE IMPROVEMENT OF COMMUNITY LIFE, ARE CONTINUING AND, WHEN IT IS WARRANTED, WILL BE EXPANDED.



IN THAT CONNECTION, OF COURSE, THIS BILL ALSO PROVIDES FOR A NEW FORM OF ASSISTANCE TO NON-PROFIT HOUSING PROJECTS. IT WOULD GIVE CMHC THE AUTHORITY TO ACQUIRE LAND AND TO LEASE IT BACK AT FAVORABLE RATES TO NON-PROFIT AND CO-OPERATIVE HOUSING CORPORATIONS IN ORDER TO HELP THEM REDUCE RENTS TO THEIR TENANTS. AS I AM SURE HONORABLE MEMBERS ARE AWARE, CMHC NOW PROVIDES SPONSORS OF NON-PROFIT HOUSING WITH 100 PER CENT FINANCING AT BENEFICIAL RATES OF INTEREST, AN OUTRIGHT GRANT OF 10 PER CENT OF CAPITAL COSTS, AND START-UP FUNDS OF UP TO \$10,000 A PROJECT. EVEN WITH THESE SUBSIDIES, HOWEVER, SOME NON-PROFIT GROUPS IN HIGH-COST MARKETS HAVE HAD TROUBLE PROVIDING ACCOMMODATION AT RATES THAT ARE WITHIN THE MEANS OF THE PEOPLE THEY WANT TO HELP. THIS NEW LAND-LEASE PROVISION WILL MAKE THE CRITICAL DIFFERENCE TO MANY OF THESE GROUPS.

FINALLY THIS BILL OFFERS SOME SIGNIFICANT IMPROVEMENTS IN THE FEDERAL SEWAGE TREATMENT ASSISTANCE PROGRAM WHICH IS VERY FAMILIAR TO ALL HONORABLE MEMBERS AND WHICH HAS HELPED TO BUILD VIRTUALLY ALL OF THE TREATMENT PLANTS AND TRUNK SEWERS INSTALLED IN CANADA IN RECENT YEARS. THESE PROVISIONS ARE ESSENTIALLY THE SAME AS THOSE WHICH WERE INTRODUCED IN THE LAST PARLIAMENT BUT NOT PASSED BECAUSE OF THE INTERVENTION OF THE GENERAL ELECTION, SO I NEED NOT

ELABORATE ON THEM AT ANY LENGTH. FIRST OF ALL THEY EXTEND THE PROGRAM, INCLUDING THE 25 PER CENT LOAN FORGIVENESS FEATURE, BEYOND MARCH, 1975, THE DATE ON WHICH IT WOULD HAVE EXPIRED BY STATUTE. AS A WAY OF GETTING MORE SERVICED LAND ON THE MARKET, INCREASING THE SUPPLY AND HOLDING DOWN PRICES, THE ACT IS AMENDED TO INCLUDE FEDERAL CONTRIBUTIONS TOWARDS THE COST OF STORM TRUNK-SEWERS WHEN THEY ARE NEEDED TO OPEN UP NEW RESIDENTIAL AREAS. STORM TRUNK-SEWERS ARE NOT INCLUDED IN THE PRESENT ACT. THIS BILL WILL ALSO CORRECT AN UNFAIR SITUATION BY INCREASING THE AMOUNT OF ASSISTANCE THAT IS AVAILABLE TO MUNICIPALITIES WHOSE SEWAGE WORKS IMPOSE A VERY HIGH PER CAPITA BURDEN ON THE LOCAL TAXPAYERS -- EITHER BECAUSE OF THE SMALL POPULATION OR BECAUSE OF THE DIFFICULT NATURE OF THE TERRAIN. THE BILL ALSO PROVIDES GRANTS TO COVER HALF THE COSTS OF PREPARING REGIONAL-SEWERAGE PLANS. MUNICIPALITIES WHICH BORROW CAPITAL FOR QUALIFIED SEWAGE TREATMENT PROJECTS FROM SOME SOURCE OTHER THAN CMHC WOULD STILL BE ELIGIBLE FOR GRANTS AND FAVORABLE LOANS.

OTHER AMENDMENTS INCLUDED IN THIS BILL, AS HONORABLE MEMBERS WILL SEE, INCREASE THE STATUTORY LIMITS ON LOANS WHICH MAY BE MADE OR INSURED BY CMHC UNDER CERTAIN SECTIONS OF THE ACT -- INSURED HOME-OWNER LOANS FROM \$19 BILLION

TO \$25 BILLION, DIRECT CMHC LOANS FROM \$10 BILLION TO \$12 BILLION AND GUARANTEED HOME-IMPROVEMENT LOANS FROM \$600 MILLION TO \$650 MILLION.

MR. SPEAKER, I HAVE ATTEMPTED TO DESCRIBE FOR HONORABLE MEMBERS THE PRINCIPLES WHICH ARE EMBODIED IN THIS LEGISLATION. IF I MIGHT SUMMARIZE THESE PRINCIPLES VERY BRIEFLY THEY ARE THESE:

FIRST OF ALL, BY PROVIDING ADDITIONAL, OPTIONAL KINDS OF ASSISTANCE, TO WIDEN THE CHOICES AVAILABLE TO CANADIANS ABOUT THE KIND OF HOUSING THEY WILL OCCUPY AND HOW THEY WILL OCCUPY IT AS OWNERS, TENANTS OR UNDER SOME FORM OF CO-OPERATIVE TENURE.

SECONDLY, BY COMBINING FEDERAL GOVERNMENT GRANTS WITH PRIVATE CAPITAL, THIS BILL SEEKS TO INFUSE A SUBSTANTIAL AMOUNT OF NEW FINANCING INTO THE PRODUCTION OF HOUSING OF A KIND AND AT A COST THAT SUITS THE NEEDS OF CANADIAN FAMILIES.

AND FINALLY, WHILE RESPONDING TO PEOPLE'S PRIME NEED FOR GOOD SHELTER IN A SECURE ENVIRONMENT, THIS BILL, BY INCREASING THE EFFECTIVE DEMAND FOR HOUSING, WILL HAVE A STIMULATING AND REGENERATIVE EFFECT THROUGHOUT THE WHOLE ECONOMY.

FOR ALL OF THESE REASONS, MR. SPEAKER, I FEEL THE COUNTRY IS URGENTLY IN NEED OF THIS LEGISLATION AND I COMMEND IT TO THE ATTENTION OF ALL HONORABLE MEMBERS.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

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FEDERAL-PROVINCIAL CONFERENCE ON HOUSING

OTTAWA

JANUARY 30, 1975

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ALTHOUGH I HAVE MET MOST OF YOU INDIVIDUALLY, THIS IS THE FIRST OPPORTUNITY I HAVE HAD, AS THE FEDERAL MINISTER RESPONSIBLE FOR HOUSING, TO MEET ALL OF YOU TOGETHER. THE LAST FEDERAL-PROVINCIAL CONFERENCE WAS HELD HERE IN OTTAWA ALMOST EXACTLY TWO YEARS AGO UNDER THE CHAIRMANSHIP OF MY PREDECESSOR, MR. BASFORD.

LIKE MR. BASFORD, I BELIEVE VERY STRONGLY THAT WE CAN MAKE AN EFFECTIVE ATTACK ON CANADA'S HOUSING PROBLEMS ONLY BY COMBINING THE EFFORTS OF ALL THE GOVERNMENTS -- PROVINCIAL AND MUNICIPAL, AS WELL AS FEDERAL -- AND BY ENLISTING THE SUPPORT AND CO-OPERATION OF PRIVATE INDUSTRY AND COMMERCE AND THE PRIVATE CITIZEN, AS AN INDIVIDUAL OR AS A MEMBER OF A PUBLIC-SPIRITED ORGANIZATION.



I HOPE DURING THIS CONFERENCE WE CAN POOL OUR RESOURCES FOR A CONCERTED DRIVE IN 1975 TO STEP-UP PRODUCTION, RELIEVE COST PRESSURES, AND INCREASE SUPPORT FOR THOSE PEOPLE AMONG US WHO MOST URGENTLY NEED HELP IN FINDING GOOD HOUSING AT AN AFFORDABLE COST.

I WOULD LIKE TO LEAD OFF BY SETTING OUT FOR YOU MY VIEW OF THE HOUSING SITUATION GENERALLY, THE PROSPECTS FOR THE YEAR AHEAD, AND THE MEASURES WHICH THE FEDERAL GOVERNMENT HAS TAKEN, OR IS PROPOSING, IN RESPONSE TO THE CHALLENGE WHICH IS FACING US ALL.

I WOULD HOPE THAT MINISTERS WOULD THEN RESPOND BY GIVING US THEIR OWN PERCEPTIONS OF THE SITUATION AND THE MEASURES WHICH HAVE BEEN INITIATED, OR ARE CONTEMPLATED, WITHIN THEIR OWN JURISDICTION.

AFTER THAT, IF YOU AGREE, I WOULD LIKE TO PRESENT THE LATEST FEDERAL HOUSING MEASURES TO YOU IN SOME DETAIL -- INCLUDING THE BILL NOW BEFORE PARLIAMENT. AT THAT TIME, WE COULD HAVE A GENERAL DISCUSSION OF THESE PROGRAMS AND I WOULD BE VERY GLAD TO HAVE YOUR COMMENTS AND DEAL WITH YOUR QUESTIONS, IF I CAN.

I WOULD LIKE TO BEGIN, THEN, WITH A GENERAL PICTURE OF THE ECONOMY, AS IT HAS DEVELOPED OVER THE PAST YEAR AND AS WE SEE IT DEVELOPING IN THE YEAR AHEAD.

AT THE BEGINNING OF 1974, INFLATION WAS CERTAINLY THE DOMINANT PROBLEM, COMPLICATED BY THE OIL CRISIS.

BECAUSE OF CONCERN ABOUT INFLATION, CANADA, LIKE OTHER COUNTRIES, WAS RELUCTANT TO EASE UP ON MONETARY POLICIES AND INTEREST RATES CONTINUED TO INCREASE. AT THE SAME TIME, MORTGAGE APPROVALS DROPPED AND THE VOLUME OF STARTS, MAINLY IN RENTAL HOUSING, DECREASED SHARPLY. DURING THESE EARLY MONTHS, HOWEVER, THE GENERAL PACE OF ECONOMIC ACTIVITY WAS GOOD.

THE DEMAND FOR SINGLE-FAMILY HOUSES REMAINED STRONG AND, IN THAT CATEGORY, STARTS WERE WELL MAINTAINED. PRICES ROSE RAPIDLY, HOWEVER -- PARTLY BECAUSE OF INFLATION PSYCHOLOGY, AND PEOPLES' EXPECTATION OF MAKING SUBSTANTIAL TAX-FREE CAPITAL GAINS. MORE AND MORE FAMILIES -- PARTICULARLY IN THE LOWER AND MIDDLE INCOME RANGES -- WERE FINDING THE PROSPECT OF OWNING A HOME UNREALISTIC.

IN ADDITION TO OUR EFFORTS TO CONTAIN INFLATION, WE WERE CONCERNED ABOUT SHIELDING THESE PEOPLE OF MODEST INCOME FROM ITS EFFECTS. WE PUMPED MORE MONEY INTO THE ASSISTED HOME OWNERSHIP PROGRAM TO HELP THEM ACQUIRE A HOME WITHOUT PUTTING OUT AN EXCESSIVE PROPORTION OF THEIR INCOME IN MONTHLY PAYMENTS. ALTOGETHER, WE MADE AN INVESTMENT OF SOME \$450 MILLION IN AHOP DURING 1974.

WE ALSO TRIED TO ENSURE THAT A FAIR PROPORTION OF THE HOMES THAT WERE BEING PRIVATELY FINANCED AND BUILT WERE SUITABLE FOR MODERATE-INCOME FAMILIES. PRIVATE LENDERS WERE ASKED TO EXTEND HIGH RATIO LOANS -- THAT IS, LOANS COVERING MORE THAN 75 PER CENT OF THE LENDING VALUE -- ONLY TO HOMES BELOW A CERTAIN CEILING PRICE. AT THE SAME TIME, WE RAISED THE MAXIMUM AMOUNTS FOR LOANS INSURED UNDER THE NATIONAL HOUSING ACT.

BY THE MIDDLE OF 1974, INFLATION WAS STILL WITH US AND WE HAD THE BEGINNING OF ANOTHER PROBLEM -- THE SLACKENING PACE OF ECONOMIC ACTIVITY. THE CANADIAN ECONOMY WAS JUST NOT GROWING FAST ENOUGH AND IN THE U.S. IT ACTUALLY DECLINED. UNEMPLOYMENT IN CANADA ROSE TO 6.1 PER CENT AND, IN THE U.S., TO 7.1 PER CENT. CONSUMERS WERE GETTING CAUTIOUS ABOUT THEIR PURCHASES -- ESPECIALLY IN BIG-TICKET ITEMS LIKE CARS AND HOUSES.

WHILE HOUSING STARTS DECLINED IN THE FIRST HALF OF THE YEAR -- PARTICULARLY IN RENTAL ACCOMMODATION -- FOR A LACK OF MORTGAGE MONEY, IN THE SECOND HALF THEY DECLINED EVEN MORE QUICKLY BECAUSE PEOPLE WEREN'T TAKING UP THE MONEY THAT WAS AVAILABLE.



ECONOMIC FORECASTERS WERE NOT OPTIMISTIC ABOUT 1975. GROWTH WAS PREDICTED AT ABOUT 3 PER CENT. EXPORTS WERE LIKELY TO WEAKEN, BECAUSE OF THE LACK OF BOUYANCY IN THE ECONOMICS OF OUR MAJOR TRADING PARTNERS -- THE U.S., THE U.K., JAPAN, AND MOST OF THE COMMON MARKET COUNTRIES. CONSUMER EXPENDITURES WOULD DROP. SOME PRIVATE EXPERTS WERE SAYING HOUSING STARTS COULD DROP AS LOW AS 172,000 IN 1975 AND IT SEEMED EVIDENT TO US THAT -- IF WE DID NOT INTERVENE IN A DECISIVE WAY -- THEY MIGHT VERY WELL BE RIGHT.

THE NUB OF THE PROBLEM WAS A WEAK DEMAND FOR MORTGAGE MONEY FROM HOME-BUILDERS AND RENTAL ENTREPRENEURS DUE, IN LARGE PART, TO THEIR UNCERTAINTY ABOUT PROSPECTS FOR THE ECONOMY AS A WHOLE, AS WELL AS HIGH PRICES AND INTEREST RATES AND, IN SOME CASES, THE POSSIBILITY OF RENT CONTROLS.

WE HAD TO SET OUR SIGHTS ON A TARGET THAT WOULD PRODUCE AT LEAST ENOUGH STARTS TO KEEP UP WITH THE COUNTRY'S GROWING NEEDS AND PREVENT THE SITUATION FROM GETTING ANY WORSE.

ON THE BASIS OF POPULATION PROJECTIONS, FAMILY FORMATIONS AND OUR EXISTING STOCK OF HOUSING, IT IS EVIDENT WE WILL NEED AT LEAST 210,000 STARTS IN 1975. IF WE CAN HIT THAT MARK WE WILL HEAD OFF ANY SERIOUS DETERIORATION OF HOUSING CONDITIONS AND, AT THE SAME TIME, GIVE THE GENERAL ECONOMY A GOOD SHOT IN THE ARM.

AS A NATIONAL GOVERNMENT, HOWEVER, WE HAVE OTHER CONCERNS, OVER AND ABOVE SEEING THAT ENOUGH HOUSES GET BUILT. CONTINUING INFLATION HAS WORKED PARTICULAR HARDSHIP ON PEOPLE OF MODERATE MEANS WHO ARE TRYING TO BUY OR RENT SUITABLE HOUSING AND WE HAVE A PARTICULAR OBLIGATION TO THESE PEOPLE.

SO, IN ADDITION TO AIMING FOR 210,000 STARTS, WE ARE DETERMINED THAT AS MANY OF THESE UNITS AS POSSIBLE SHOULD BE WITHIN THE REACH OF FAMILIES WITH LOW AND MODERATE INCOMES.

IN HIS BUDGET THE MINISTER OF FINANCE INTRODUCED A NUMBER OF MEASURES DESIGNED TO STIMULATE DEMAND, INCREASE PRODUCTION AND MAKE ACCESS TO GOOD HOUSING A LITTLE EASIER.

THE SALES TAX ON BUILDING MATERIALS WAS REDUCED FROM 11 PER CENT TO 5 PER CENT. AND SALES TAX WAS ELIMINATED ON CONSTRUCTION EQUIPMENT AND ON MATERIALS USED IN MUNICIPAL WATER DISTRIBUTION SYSTEMS.

CAPITAL COSTS ALLOWANCES WERE RESTORED, FOR A YEAR, ON NEW MULTIPLE-UNIT RESIDENTIAL BUILDING FOR RENT -- APARTMENT BUILDINGS, FOR EXAMPLE -- TO ENCOURAGE THIS KIND OF CONSTRUCTION.

THE REGISTERED HOME OWNERSHIP SAVINGS PLAN, WITHIN CERTAIN LIMITATIONS, EXEMPTS FROM TAXATION THE MONEY PEOPLE SAVE TO BUY THEIR FIRST HOUSE.

THE RESTRICTIONS ON HIGH-RATIO LOANS WERE REMOVED SINCE THEY WERE NO LONGER REQUIRED AND OUR CONCERN WAS TO STIMULATE PRODUCTION.

YOU WILL ALSO RECALL THAT I ANNOUNCED, EFFECTIVE NOVEMBER 1, 1974, A \$500 TAX-FREE GRANT TO FIRST-TIME PURCHASERS OF NEW, MODERATELY-PRICED HOMES. THE MOVE COMPLEMENTED SIMILAR HOME-OWNER GRANT PROGRAMS IN EFFECT IN A NUMBER OF PROVINCES.

IN ADDITION TO THESE MEASURES, HOWEVER, IT WAS EVIDENT THAT THE SITUATION REQUIRED MORE COMPREHENSIVE ACTION.

WE HAVE A WIDE RANGE OF FEDERAL HOUSING PROGRAMS FOR PEOPLE WHO NEED HELP, INCLUDING PUBLIC HOUSING, NON-PROFIT AND CO-OPERATIVE HOUSING, LIMITED DIVIDEND HOUSING AND ASSISTED HOME-OWNERSHIP. THE CHALLENGE THEN WAS TO SEE HOW THESE PROGRAMS COULD BE ADAPTED OR EXPANDED TO MEET OUR OBJECTIVES IN BOTH THE NUMBER AND KIND OF HOUSING PRODUCED.

ASSISTED HOME OWNERSHIP WAS VERY SUCCESSFUL. DURING THE YEAR IT WAS USED TO FINANCE SOME 20,000 MODERATELY-PRICED HOMES -- ABOUT 13,000 OF THEM NEW CONSTRUCTION.

IN 1974 WE HAD ALSO TESTED A PROGRAM DESIGNED TO STIMULATE CONSTRUCTION OF MODERATELY-PRICED RENTAL ACCOMMODATION. WE OFFERED \$58 MILLION AT 3 PER CENT INTEREST TO BUILDERS IN A NUMBER OF CRITICAL MARKET AREAS ACROSS CANADA WHO WERE PREPARED TO ENTER AN AGREEMENT REGARDING RENTS. THE RESPONSE WAS VERY ENCOURAGING, THE MONEY WAS QUICKLY TAKEN UP, AND THE FIRST UNITS ARE NOW COMING ON THE MARKET.



I MIGHT ADD THAT THE PROVINCE OF ONTARIO WAS QUICK TO RESPOND AND TO PUT UP ANOTHER \$50 MILLION FOR THE SAME PURPOSE WITHIN THE PROVINCE. I WELCOME THAT INITIATIVE FROM ONTARIO -- AND I COMMEND THE EXAMPLE TO OTHER PROVINCES.

OUR EXPERIENCE WITH AHOP AND WITH THE \$58 MILLION RENTAL PROGRAM INDICATED TO US THAT WITH A MINIMUM INVESTMENT OF PUBLIC FUNDS IN THE FORM OF GRANTS IT WOULD BE POSSIBLE TO STIMULATE A SUBSTANTIAL FLOW OF PRIVATE CAPITAL INTO THE PRODUCTION OF MODERATELY-PRICED HOUSING FOR OWNERSHIP OR RENTAL. THESE CONTRIBUTIONS WOULD PROVIDE THE IMPETUS TO STRENGTHEN THE WEAK DEMAND WHICH WAS THE PRIME CAUSE OF DECLINING STARTS.

THESE PROGRAMS ARE PROVIDED FOR IN THE BILL WHICH I RECENTLY INTRODUCED IN PARLIAMENT AND WHICH IS NOW AT THE COMMITTEE STAGE.

HOME-BUYERS WHO MEET ALL OF THE QUALIFICATIONS FOR AHOP ASSISTANCE AND WHO CAN OBTAIN AN NHA-INSURED LOAN FROM AN APPROVED LENDER WILL RECEIVE UP TO \$600 A YEAR IN GRANTS TO REDUCE THEIR MONTHLY PAYMENTS TO A REASONABLE PROPORTION OF INCOME.

GRANTS ARE ALSO AVAILABLE TO OWNERS OR BUILDERS OF RENTAL ACCOMMODATIONS, WHERE THEY CAN ARRANGE FOR AN NHA-INSURED LOAN FROM AN APPROVED LENDER AND ARE PREPARED TO ENTER INTO AN AGREEMENT WITH CMHC REGARDING RENTS.

THESE GRANTS WILL BE SUFFICIENT TO BRIDGE THE GAP BETWEEN WHAT THE OWNER MUST PAY FOR THE CAPITAL HE BORROWS PRIVATELY AND THE RENTS AT WHICH HE CAN ACTUALLY MARKET THE UNITS.

THE SAME BILL PROVIDES MORE HELP TO NON-PROFIT AND CO-OPERATIVE HOUSING PROJECTS BY ALLOWING CMHC TO ACQUIRE LAND FOR THESE PROJECTS AND LEASE IT BACK TO THE SPONSORS AT REASONABLE RATES. IT ALSO EXTENDS THE LIFE OF THE FEDERAL SEWAGE TREATMENT ASSISTANCE PROGRAM AND BROADENS IT IN SOME IMPORTANT WAYS TO HELP STIMULATE RESIDENTIAL DEVELOPMENT AND EASE THE BURDEN ON SMALLER MUNICIPALITIES.

I WILL BE VERY GLAD TO DEAL WITH ALL OF THESE MEASURES IN AS MUCH DETAIL AS YOU WOULD LIKE AT THE NEXT STAGE OF OUR DELIBERATIONS. I MENTION THEM NOW JUST TO INDICATE TO YOU THE GENERAL DIRECTION OF THE FEDERAL RESPONSE TO THE HOUSING SITUATION.

VERY BRIEFLY, THEN, WE FIND OURSELVES IN THIS KIND OF SITUATION:

WE ARE FACED WITH, NOT ONLY AN UNACCEPTABLE RATE OF INFLATION BUT A GENERAL ECONOMIC SLOW-DOWN.

IN THE FIELD OF HOUSING THIS HAS MEANT HIGH INTEREST RATES, HIGH PRICES AND RENTS AND -- PERHAPS MORE SIGNIFICANT -- A DECLINE IN HOUSING PRODUCTION. I HAVE BEEN ENCOURAGED IN

RECENT WEEKS TO SEE A REDUCTION OR LEVELLING-OFF IN HOUSING PRICES AND A SIGNIFICANT DROP IN MORTGAGE RATES. I HAVE ENCOURAGED THE DROP IN INTEREST RATES BY ANNOUNCING A REDUCTION IN THE RATES CHARGED BY CMHC IN ITS DIRECT LOANS TO HOME-BUYERS AND TO PROVINCIAL AND MUNICIPAL GOVERNMENTS AND PUBLIC HOUSING AGENCIES. HOWEVER, THAT TREND HAS JUST BEGUN AND THE PRESSURE MUST BE MAINTAINED. THE SITUATION IS STILL FAR FROM SATISFACTORY.

OUR RESPONSE HAS BEEN TO SEEK OUT ALL PRACTICAL MEANS TO INCREASE THE PRODUCTION OF HOUSING IN CANADA AND TO DIRECT IT AS MUCH AS POSSIBLE AWAY FROM EXPENSIVE AND INDULGENT ACCOMMODATION INTO PRICE RANGES WHICH ARE AFFORDABLE BY MOST CANADIANS. IN DOING THIS WE ARE MAKING THE GREATEST POSSIBLE USE OF PRIVATE SOURCES OF CAPITAL IN ORDER TO CONSERVE AVAILABLE PUBLIC FUNDS FOR THE BENEFIT OF PEOPLE IN GREATEST NEED THROUGH OUR VERY BROAD RANGE OF SOCIAL HOUSING PROGRAMS.

THESE, VERY BRIEFLY, ARE THE FEDERAL INITIATIVES BUT, AS I SAID AT THE OUTSET OF THESE REMARKS, OUR PROBLEMS CAN NOT BE SOLVED AT ANY ONE LEVEL OF GOVERNMENT BUT DEMAND CONCERTED ACTION BY ALL. I WOULD BE VERY INTERESTED TO HEAR NOW ABOUT ACTIONS TAKEN, OR PLANNED, BY THE GOVERNMENTS OF THE PROVINCES.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

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FRIDAY, JANUARY 31, 1975



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I WISH TO THANK MR. THERIEN AND YOUR BOARD OF DIRECTORS FOR THEIR KIND INVITATION TO SPEAK TO YOU TODAY ABOUT FEDERAL GOVERNMENT HOUSING POLICIES AND PROGRAMS.

I AM ALWAYS DELIGHTED TO HAVE THE OPPORTUNITY OF SPEAKING ABOUT HOUSING TO THE HOME-BUILDING INDUSTRY, FOR WE HAVE AN IMPORTANT COMMON OBJECTIVE -- TO HELP PROVIDE CANADIANS WITH HOUSES THEY WANT, IN THE QUANTITIES THEY NEED, AT PRICES THEY CAN AFFORD AND IN AREAS WHERE THEY WANT TO LIVE.

YOUR INDUSTRY WILL, AS YOU WELL KNOW, HAVE AN INCREASINGLY IMPORTANT PART TO PLAY NOT JUST IN HELPING TO MEET CURRENT DEMANDS BUT WITHIN THE FUTURE FRAMEWORK OF CANADA'S BUILDING INDUSTRY.

I AM IMPRESSED WITH THE TREMENDOUS STRIDES TAKEN IN THE MANUFACTURED-HOME INDUSTRY DURING THE LAST FEW YEARS. I UNDERSTAND THAT THE VALUE OF INDUSTRIALIZED HOUSING IN CANADA NOW EXCEEDS A BILLION DOLLARS A YEAR. IN 1973 ALONE, MORE THAN 42,000 HOUSING UNITS WERE BUILT BY MEMBER COMPANIES OF YOUR ASSOCIATION WHO REPORTED THEIR PRODUCTION. THE TOTAL FIGURE, I AM TOLD, WAS IN EXCESS OF 50,000 UNITS, WHICH WAS ALMOST ONE-FIFTH OF ALL RESIDENTIAL BUILDING IN CANADA THAT YEAR.

THESE FIGURES REPRESENT IMPORTANT PROGRESS THAT HAS TAKEN PLACE LARGELY IN THE LAST DECADE. IT HAS NOT BEEN ACCIDENTAL GROWTH, THROUGH SOUND AND AGGRESSIVE MERCHANDISING YOU ARE PROVIDING AN EXCELLENT PRODUCT THAT FILLS AN IMPORTANT NEED IN THE CANADIAN HOUSING MARKET. THE HOUSING INDUSTRY HAS COME TO RELY MORE AND MORE ON PRE-MANUFACTURED COMPONENT PARTS DURING THE PAST FEW YEARS, AND THIS TREND WILL UNDOUBTEDLY CONTINUE.

YOU WILL ALL BE AWARE THAT ONE OF THE PRIMARY OBJECTIVES OF MY MINISTRY IS LOWER-COST HOUSING SO THAT ALL CANADIANS CAN HAVE ACCESS TO GOOD ACCOMMODATION. WE ARE ATTACKING THIS PROBLEM ON A NUMBER OF FRONTS, AND I CAN ASSURE YOU THAT GREATER USE OF MANUFACTURED HOUSING IS RECOGNIZED AS A SIGNIFICANT PART OF THE OVER-ALL PROGRAM.

I AM SURE I DON'T HAVE TO DELINEATE FOR THIS GROUP THE FACTORS THAT HAVE SO ADVERSELY AFFECTED THE HOUSING MARKET IN RECENT MONTHS. THE WORLD-WIDE PROBLEM OF INFLATION, THE UNUSUALLY HIGH INTEREST RATES, THE SHORTAGE OF MORTGAGE FUNDS, LACK OF SERVICED LAND AND OTHER FACTORS HAVE, AS YOU KNOW, COMBINED TO PRODUCE A SHORTAGE OF HOUSING AND, IN PARTICULAR, A SERIOUS SHORTAGE OF HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES.



THE FEDERAL GOVERNMENT HAS TAKEN A NUMBER OF STEPS TO ALLEVIATE THE PROBLEMS, SOME OF WHICH ARE NOW BEFORE PARLIAMENT. IN ADDITION, MR. TURNER'S BUDGET CONTAINED MEASURES WHICH WILL HAVE SIGNIFICANT EFFECTS IN STIMULATING RESIDENTIAL CONSTRUCTION.

THESE MEASURES SERVE A NUMBER OF GOALS. WE WANT TO HELP INDIVIDUAL FAMILIES WHO HAVE DIFFICULTY IN MEETING THE HIGH COST OF SHELTER. WE ARE ENCOURAGING BUILDERS TO SHIFT PRODUCTION INTO THE LOW AND MODERATE-PRICE RANGES. WE ARE ATTEMPTING TO ASSIST AND ENCOURAGE MUNICIPALITIES TO BRING MORE SERVICED LAND ONTO THE MARKET FOR HOUSING AND WE ARE USING OUR OWN RESOURCES TO ATTRACT THE FLOW OF NEW CAPITAL INTO THE HOUSING MARKET.

LET ME TAKE A FEW MOMENTS TO DESCRIBE SOME OF THESE MEASURES TO YOU.

THE ASSISTED HOME OWNERSHIP PROGRAM, POPULARLY KNOWN AS AHOP, WAS INTRODUCED IN JULY OF 1973 TO HELP LOW AND MODERATE-INCOME FAMILIES WITH ONE OR MORE CHILDREN TO OWN A HOME WITHOUT SPENDING MORE THAN A REASONABLE PROPORTION OF THEIR INCOME ON MORTGAGE PAYMENTS AND MUNICIPAL TAXES. THIS IS ACHIEVED BY DIRECT CMHC LOANS AND INTEREST-REDUCING GRANTS.

SINCE THE START OF THE PROGRAM, AHOP HAS SUPPORTED THE PURCHASE OF MORE THAN 26,000 HOMES, MOST OF THEM NEW CONSTRUCTION, AT A TOTAL INVESTMENT BY CMHC OF MORE THAN \$580 MILLION.

LAST FALL AHOP WAS DIRECTED EXCLUSIVELY TO THE PURCHASE OF NEW HOUSING IN ORDER TO ADD TO THE TOTAL STOCK WHILE INCREASING EMPLOYMENT OPPORTUNITIES IN THE BUILDING INDUSTRY.

A NEW MEASURE WHICH I HAVE INTRODUCED BEFORE PARLIAMENT IS DESIGNED TO EXPAND THE AHOP PROGRAM BEYOND ITS PRESENT LIMITS BY ATTRACTING PRIVATE CAPITAL. WE PROPOSE MAKING GRANTS AVAILABLE, UNDER CERTAIN TERMS AND CONDITIONS, TO FAMILIES WHO CAN OBTAIN AN INSURED MORTGAGE FROM AN APPROVED LENDER FOR A NEW, MODERATELY-PRICED HOUSE. THIS ADDITION TO AHOP WILL PROVIDE GRANTS OF UP TO \$600 A YEAR TO FAMILIES WHO REQUIRE IT IN ORDER TO KEEP MONTHLY PAYMENTS TO A REASONABLE PROPORTION OF INCOME. THE CAPITAL WILL, OF COURSE, COME FROM PRIVATE LENDERS.

A SECOND PROVISION OF THE BILL NOW BEFORE THE HOUSE WILL BENEFIT PEOPLE WHO RENT ACCOMMODATION. THIS AMENDMENT WILL ALLOW CMHC TO PROVIDE GRANTS TO OWNERS OR BUILDERS OF PRIVATELY-FINANCED RENTAL HOUSING PROJECTS, WHO ARE WILLING

TO ENTER INTO AN AGREEMENT TO CHARGE FAIR AND REASONABLE RENTS. THE PURPOSE OF THIS PROVISION IS TO BRIDGE THE GAP BETWEEN MARKET INTEREST RATES AND THE LOWER RATE WHICH OWNERS REQUIRE TO PROVIDE INEXPENSIVE RENTAL ACCOMMODATION.

THE AGREEMENT WILL BE FOR AN INITIAL PERIOD OF FIVE YEARS, BUT IT MAY BE RENEWED FOR A TOTAL OF UP TO 15 YEARS. THE RENT STRUCTURE IN EACH CASE WILL BE DETERMINED LOCALLY BY AGREEMENT BETWEEN THE OWNER AND CMHC. THESE TWO PRIVATELY-FUNDED PROGRAMS -- FOR RENTAL HOUSING AND HOME-OWNERSHIP -- ARE EXPECTED TO ATTRACT A BILLION DOLLARS OR MORE INTO THE CONSTRUCTION OF MODERATELY-PRICED HOUSING IN 1975. TOGETHER WITH OTHER SHIFTS IN CMHC ACTIVITIES, I EXPECT THEY WILL CONTRIBUTE A NET INCREASE IN CONSTRUCTION OF SOME 28,000 UNITS.

OTHER PROPOSALS IN THE BILL CONCERN NON-PROFIT HOUSING PROJECTS, INCLUDING CO-OPERATIVES, AND SEWAGE TREATMENT ASSISTANCE FOR MUNICIPALITIES. A LAND-LEASING ARRANGEMENT WILL GREATLY ASSIST NON-PROFIT GROUPS IN PROVIDING LOW-COST RENTAL ACCOMMODATION, WHILE NEW ASSISTANCE FOR TRUNK STORM SEWERS WILL ALLOW MUNICIPALITIES TO BRING SERVICED LAND ONTO THE MARKET AT GREATLY REDUCED EXPENSE.

I AM SURE THAT ALL OF YOU ARE FAMILIAR WITH THOSE ASPECTS OF THE RECENT BUDGET THAT WILL, DIRECTLY OR INDIRECTLY, HELP TO STIMULATE RESIDENTIAL CONSTRUCTION.

CAPITAL COSTS MAY ONCE AGAIN BE CHARGED AGAINST OTHER INCOME, A MEASURE WHICH PROVIDES RENEWED INCENTIVE FOR THE CONSTRUCTION OF RENTAL UNITS.

I KNOW THAT YOU AND ALL OTHERS IN THE BUILDING PROFESSION WELCOMED THE REDUCTION IN THE SALES TAX ON BUILDING MATERIALS TO FIVE PER CENT FROM 11 PER CENT.

ANOTHER IMPORTANT FEATURE OF THE BUDGET WAS THE REGISTERED HOME OWNERSHIP SAVINGS PLAN, WHICH IS DESIGNED TO ASSIST PEOPLE -- PARTICULARLY YOUNG COUPLES -- IN ACCUMULATING ENOUGH MONEY FOR A DOWN PAYMENT ON A HOUSE OF THEIR OWN. BY ALLOWING \$1,000 TO BE DEDUCTED FROM EACH TAXABLE INCOME FOR A PERIOD OF UP TO 10 YEARS, WE EXPECT THAT MANY FAMILIES WILL BE ENABLED TO ACCUMULATE THE MONEY TO BUY A HOME FAR SOONER THAN WOULD OTHERWISE BE POSSIBLE.

THE MEASURES I HAVE MENTIONED BRIEFLY HERE, AS WELL AS OTHERS SUCH AS THE \$500 GRANT TO FIRST-TIME HOUSE BUYERS, ARE EXPECTED TO PRODUCE SUBSTANTIALLY MORE HOUSING THAN WOULD OTHERWISE BE THE CASE. WE HOPE BY THESE MEANS TO PROVE THAT THOSE WHO PREDICTED THAT HOUSING STARTS WOULD DROP WELL BELOW THE 200,000 LEVEL THIS YEAR WERE OVER CAUTIOUS IN NOT TAKING INTO ACCOUNT THE EXTENT AND EFFECT OF FEDERAL INTERVENTION. CERTAINLY THE MARKETPLACE ALONE WOULD NOT MEET OUR MINIMUM NEEDS.



SO FAR I HAVE TALKED ONLY OF FEDERAL POLICIES AND PROGRAMS THAT APPLY PRIMARILY TO THE HERE AND NOW, OR THE IMMEDIATE FUTURE, ALTHOUGH MANY OF THEM WILL UNDOUBTEDLY HAVE SIGNIFICANT AND FAR-REACHING EFFECTS. HOWEVER, I'D LIKE TO SPEND A FEW MOMENTS NOW TO TALK ABOUT ONE OF THE MOST ADVENTUROUS JOURNEYS EVER TAKEN INTO THE FUTURE OF CANADIAN COMMUNITY DEVELOPMENT.

WE HEAR MUCH TODAY ABOUT THE QUALITY OF LIFE, BECAUSE CANADIANS HAVE BEGUN TO REALIZE THAT THE RAPID PACE OF SOCIAL CHANGE SOMETIMES DEMANDS THE EXPEDIENT SOLUTION RATHER THAN THE PLANNED APPROACH TO PROBLEMS. THIS CAN RESULT IN EVERYTHING FROM HORRENDOUS TRAFFIC JAMS ON INADEQUATE STREETS TO POTENTIAL SLUM AREAS ON EXPENSIVE LAND. THERE SEEMS TO BE NO LIMIT TO THE CHAOTIC LIVING CONDITIONS THAT CAN RESULT FROM THE PHILOSOPHY OF CREATING WITHOUT CREATIVITY, OF CHANGE WITHOUT PROGRESS, OR OF SPEED WITHOUT DIRECTION.

AT CMHC, AS SOME OF YOU KNOW, WE HAVE SET UP A MAJOR DEVELOPMENT AND DEMONSTRATION DIVISION. ITS JOB IS TO EXPLORE THE ALTERNATIVES IN COMMUNITY LIVING WHICH WILL FULFILL PEOPLE'S PHYSICAL AND SOCIAL NEEDS. THIS IS NOT A "PIE-IN-THE-SKY" FUTURISTIC EXPERIMENT, IT IS A PRACTICAL

AND DYNAMIC PROGRAM TO DEMONSTRATE WHAT CAN BE DONE TO IMPROVE THE QUALITY OF URBAN AND SUBURBAN LIVING. THESE PROJECTS WILL NOT BE MODELS OR EXHIBITS. THEY WILL BE REAL COMMUNITIES DEVELOPED FOR AND INHABITED BY PEOPLE. THEY WILL BE ECONOMICALLY SOUND AND CAPABLE OF BEING REPRODUCED IMMEDIATELY IN OTHER AREAS, WITH MODIFICATIONS OR IMPROVEMENTS, BY BUILDERS AND DEVELOPERS.

PLEASE DON'T JUMP TO THE CONCLUSION THAT CMHC HAS SUDDENTLY GONE INTO COMPETITION WITH THE DEVELOPMENT AND BUILDING INDUSTRY. RESEARCH IS EXPENSIVE, AND ALTHOUGH IT IS ESSENTIAL IN THE PROGRESS OF ANY INDUSTRY, THERE ARE ALWAYS LIMITS TO THE FUNDS AVAILABLE FROM THE PRIVATE SECTOR FOR RESEARCH. THE TYPE OF INNOVATIVE STUDY WE ARE UNDERTAKING WOULD BE HARD TO JUSTIFY BEFORE A GATHERING OF SHAREHOLDERS IN PRIVATE INDUSTRY, BECAUSE FINANCIAL BENEFITS ARE NOT THE IMMEDIATE OBJECTIVE THOUGH ULTIMATE ECONOMIC AND SOCIAL VIABILITY IS ESSENTIAL.

WE INTEND TO SEE JUST HOW FAR HUMAN INGENUITY CAN GO IN MAKING USE OF PRESENT KNOWLEDGE AND TECHNOLOGY IN DESIGNING AND BUILDING COMMUNITIES THAT GENUINELY FILL THE NEEDS AND DESIRES OF PEOPLE. THE DEMONSTRATION PROJECTS WILL EXPLORE A WIDE VARIETY OF IMPORTANT AREAS, SUCH AS NEW HOUSING FORMS THAT ALLOW REASONABLE DENSITY WITHOUT DESTROYING

PRIVACY AND PERSONAL IDENTITY; NEW WAYS OF USING AIR SPACE OVER SHOPPING CENTRES AND FACTORIES; NEW WAYS OF RECYCLING WASTE AND CONSERVING ENERGY; THE USES OF SOLAR HEATING; EFFECTIVE TECHNIQUES OF DEVELOPING A SENSE OF COMMUNITY IDENTITY -- ALL THESE AND MANY MORE CONSIDERATIONS WILL BE PART OF THE DEVELOPMENT AND DEMONSTRATION PROJECTS.

PLANNING IS ALREADY WELL UNDERWAY FOR TWO COMMUNITIES IN THE OTTAWA METROPOLITAN AREA AS THE START OF A NATIONAL PROGRAM. SUBSEQUENT PROJECTS WILL BE DEVELOPED FOR OTHER PARTS OF CANADA FROM COAST TO COAST.

THE FIRST TWO PROJECTS ARE WOODROFFE AND LeBRETON FLATS, BOTH TO BE RESIDENTIAL IN NATURE.

THE FIRST OF THESE MODEL COMMUNITIES WILL BE IN NEPEAN TOWNSHIP, JUST OUTSIDE OTTAWA, ON 400 ACRES OF LAND AT BASELINE AND WOODROFFE, AND WHEN IT IS COMPLETED IT WILL HAVE A POPULATION OF ABOUT 15,000 PEOPLE.

WOODROFFE IS PLANNED AS A COMMUNITY TAILORED FOR THE WELL-BEING OF PEOPLE AT ALL INCOME LEVELS. THE EMPHASIS IS ON THE WORD "PEOPLE", AND IT IS IMPORTANT THAT PEOPLE PARTICIPATE IN THE PLANNING.

ADVISORY COMMITTEES HAVE ALREADY BEEN SET UP TO WORK WITH THE OFFICIAL PLANNERS AND CMHC STAFF.

ACTUAL CONSTRUCTION IS EXPECTED TO START IN WOODROFFE NEXT YEAR, AND DEVELOPMENT WILL TAKE PLACE OVER AN ESTIMATED EIGHT-YEAR PERIOD.

THE SECOND PROJECT, LeBRETON FLATS, IS AN AREA IN DOWNTOWN OTTAWA AND WILL BE UNDERTAKEN IN ASSOCIATION WITH THE NATIONAL CAPITAL COMMISSION.

OUT OF ALL THIS, WE BELIEVE, WILL EMERGE A PATTERN OF COMMUNITY DEVELOPMENT THAT WILL TRULY ADD TO THE QUALITY OF LIFE.

THE PEOPLE AT CMHC ARE IN THE MARKET FOR IDEAS. THEY PLAN TO BE IN TOUCH WITH ALL ELEMENTS OF THE BUILDING INDUSTRY AND TO INVITE THE CONTRIBUTION OF THE BEST PEOPLE AVAILABLE. THEY WANT TO KNOW WHAT THE ARCHITECTS, THE ENGINEERS AND EVERY OTHER GROUP ASSOCIATED WITH THE BUILDING INDUSTRY THINK THEY CAN CONTRIBUTE TO THE IDEAL COMMUNITY. IF AN IDEA COULD CONCEIVABLY BE USEFUL, THEY WANT TO KNOW ABOUT IT AND, IF IT HOLDS PROMISE, THEY INTEND TO TRY IT OUT.

NATURALLY, WE ARE GOING TO CONTINUALLY INVOLVE THE PUBLIC -- THE ULTIMATE CONSUMER -- IN THE PROJECT, FOR IF THE COMMUNITY DOESN'T SATISFY THE PEOPLE WHO LIVE IN IT, THE WHOLE UNDERTAKING WOULD BE POINTLESS.



THE KNOWLEDGE AND INFORMATION GAINED FROM THESE PROJECTS WILL BE SHARED AS WIDELY AS POSSIBLE. AS I HAVE ALREADY INDICATED, ONE OF THE FIRST CONSIDERATIONS IS THAT THE DEMONSTRATION PROJECTS MUST BE ECONOMICALLY VIABLE AND, WITH MODIFICATIONS TO SUIT LOCAL NEEDS, MUST BE CAPABLE OF BEING RE-CREATED AT REASONABLE COST ELSEWHERE IN CANADA.

I KNOW THAT I CAN SAFELY ASSUME THAT THIS KIND OF INITIATIVE AND INNOVATION WILL BE OF LIVELY INTEREST TO MEMBER FIRMS OF THE HOME MANUFACTURERS ASSOCIATION, FOR YOUR BUSINESS IS INNOVATION. I AM SURE THAT MANY OF YOU WILL HAVE SUBSTANTIAL CONTRIBUTIONS TO MAKE TO THE DEMONSTRATION PROJECTS, AND I HOPE YOU WILL NOT HESITATE TO MAKE YOUR IDEAS AND SUGGESTIONS KNOWN TO MY OFFICIALS AT CENTRAL MORTGAGE AND HOUSING.

AS A FINAL WORD, I WOULD LIKE TO RE-EMPHASIZE THAT YOU AND THE FEDERAL GOVERNMENT HAVE A COMMON GOAL IN PROVIDING ECONOMICAL HOUSING TO SUIT THE NEEDS OF PEOPLE ACROSS CANADA. I KNOW THAT YOU ARE AS READY TO WORK WITH US AS WE ARE WITH YOU IN ACHIEVING THIS OBJECTIVE.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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HOUSING & URBAN DEVELOPMENT ASSOCIATION OF CANADA

WINNIPEG

MONDAY, FEBRUARY 3, 1975



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Mr. Chairman:

Let me say, first of all, that I genuinely appreciate your inviting me here to speak today. This is the first chance I have had, since being appointed to my ministry, of meeting HUDAC members formally as a group. I welcome that opportunity, particularly because of the kind of leadership which HUDAC can provide to the residential building and development industry in Canada.

There has never been a time in recent years when it was so important for private industry and government -- all of the governments in Canada -- to pull together in a planned and co-ordinated effort to meet the challenge that faces us in the year ahead.

Let's look at the situation squarely. We do have a serious challenge to meet. We have got to get this industry moving again. We must produce 210,000 new starts this year, just to meet growing needs and to prevent conditions from becoming worse.

If we can do that, we will benefit not only the housing industry, and the people who need a good, affordable place to live, we will also give a strong boost to the whole national economy.

I say we can do it, together. It is not going to be easy. It is going to take concentrated effort. I hope we can do a lot more than 210,000 starts, but I'm not going to be satisfied with anything less than that.

I would like, for a few minutes, to take a hard look at the situation we are in today, and the prospects for the year ahead.

Then I would like to tell you what we are doing, as the federal government, to change that situation, with your help. We are ready to take the lead, to accept our responsibility to see the country safely through this difficult year, and to back up this leadership with innovative programs and financial resources.

Let's just take a look at what has happened over the last year.

At this time last year, inflation was our biggest problem. Like other countries we were reluctant to stimulate growth by easing up on monetary policies. Interest rates continued to rise, mortgage approvals dropped and the volume of housing starts, especially for rental, dropped sharply.

The demand for single-family houses remained strong but prices rose rapidly -- partly because of inflation psychology and the hope of making substantial tax-free capital gains.

By the middle of 1974, inflation was still with us and we had another problem, a slow-down in economic activity. Unemployment rose to 6.1 per cent. Consumers were getting cautious about big purchases, such as cars and houses. The decline in housing starts got worse.

The net result was that we ended 1974 with 222, 123 starts, a drop of 17 per cent from the 268,529 which we achieved in 1973.

As we ended 1974, the economic forecasters were not painting a rosy picture. Growth was predicted at about three per cent. Exports were likely to weaken because of the lack of buoyancy in the economies of our major trading partners. Consumer expenditures were going to drop.

Some private forecasters were saying housing starts could drop as low as 172,000 in 1975.

Now, there is no way, as the federal minister responsible for housing, that I could accept that kind of performance and I know that level of production would not make you very happy either.

On the basis of population projections, family formations and the condition of our existing housing stock, it is evident we will need 210,000 starts in 1975 just to stay even.

The first obstacle we have to tackle to achieve that goal is a weak demand from home-builders and rental entrepreneurs. This weakness is the result not only of high prices and interest rates, but of the industry's anxiety about rent controls and a general feeling of uncertainty about the prospects of the economy as a whole.

I can understand these negative feelings but I want to respond to them -- not with a lot of flippant optimism -- but with a positive, workable plan of action.

Some definite measures have already been put into effect by the Minister of Finance in his budget which were designed to give housing production a boost.

The sales tax on building materials was reduced from 11 per cent to 5 per cent.

Sales tax was eliminated on construction equipment and on materials used in municipal water distribution systems.

Capital cost allowances were restored, for a year, on new multiple-unit residential building for rent.

The Registered Home Ownership Savings plan was introduced to help people put together more quickly the money they need for a down-payment on their first house.

The restrictions which had been requested on high-ratio loans in the Spring were later removed to help stimulate production.



I announced, effective November 1, 1974, for one year, a \$500 tax-free grant to first-time purchasers of new, moderately-priced homes.

All of these measures were helpful in stimulating demand and helping people get access to good, affordable housing but it was evident that a more comprehensive approach was required.

We had identified two programs -- one directed at home-ownership and the other at rental accommodation -- which seemed to hold promise of producing quick starts at a time when they were greatly needed.

Our Assisted Home Ownership Program was so successful we ran out of money before the end of the year in spite of the fact that we had substantially increased our original budget allocation. This program ought to be expanded but, considering the whole range of the government's obligations, there is a limit to how much tax money we can put into this program. The obvious place to look for more financing was to the private sector.

We tested another interesting program in 1974. We offered \$58 million at 8 per cent to builders in market areas where there was a critical vacancy rate if they were willing to create rental accommodation under an agreement with CMHC about rent levels. We had no trouble at all putting out that \$58 million and could have put out a good deal more.

Our success in these two programs is reflected in the amendments to the National Housing Act which I introduced in the House of Commons on December 19 and which I hope will become law very quickly.

The section of this bill which deals with housing is intended to steer a lot more private money into housing production and to strengthen the weak demand which is the prime cause of declining starts.

Buyers of new homes who meet all of the qualifications for AHOP assistance, and who can obtain an NHA-insured loan from an approved lender, will receive up to \$600 a year in grants to reduce their monthly payments to a reasonable proportion of their income.

Grants will also be available to owners or builders of rental accommodation, where they can arrange for an NHA-insured loan from an approved lender and if they are prepared to enter an agreement with CMHC about rents. These grants will be sufficient to bridge the gap between what the owner must pay for the capital he borrows privately and the rents at which families can afford without spending a disproportionate part of their income.

What we are doing, in effect, is making the best possible use of limited public funds, as a lever to free up much more private mortgage money than would otherwise be

available this year. I am very much encouraged by some of the published comments of people in the building industry and, if their estimates are correct, it could mean the injection of a billion dollars or more of additional private-sector capital into housing in Canada.

I don't think I need to remind this audience, which is so broadly representative of the housing industry in Canada, what this kind of stimulus could mean, not just to your own business, or to the people who are looking for good housing they can afford, but to the whole Canadian economy. The ripple effect of this action could touch virtually every family in the country.

For the year ahead, these are my priorities:

- \* to get the building industry moving again and to produce all the housing we need to meet our growing requirements -- not less than 210,000 starts,

- \* as many as possible should be in the low and medium-price range to match the needs of most Canadians, indeed this is the only range in which government assistance will apply,

- \* and within these price ranges I want to emphasize rental accommodation for families since this is the kind of housing most sorely needed now.

I presented these priorities last week to a meeting in Ottawa of housing ministers from all of the

provinces and I called upon them -- as I am calling on you today -- to join in a truly national effort to achieve these goals. At the same time, I announced that CMHC's capital budget for 1975 has been increased by 12.5 per cent to almost 1 1/2 billion dollars and that there will be a new emphasis within this larger budget on these federal housing programs which hold the greatest promise of a quick increase in production.

I think you will recognize from this description of our plans and priorities that we are counting -- perhaps more than ever before -- on the housing industry and the financial community to continue to play a responsible role in helping to attain national housing objectives.

I have been very pleased to see mortgage interest rates declining and we have supported that trend by reducing rates on key CMHC programs.

I am pleased also to see house prices in many parts of the country dropping or at least levelling-off.

What we are seeing now is the market economy beginning to work in the way it should.

Federal Government housing policies, I believe, have always supported a stable, orderly and competitive market process, and they will continue to do so.



I expect competitive forces to come fully into play in the months ahead as buyers shop carefully for good value and good prices. I expect there will be a great deal of pencil-sharpening among the sellers and I welcome that attitude, in the public interest.

In other words, 1975 will be a good year for the prudent buyer. He is now in a position to shop around. With the federal government assistance to moderate and low-income buyers effectively reducing mortgage interest rates and prices stabilizing, there is little advantage for him to postpone the purchase of a new home.

We have experienced an extraordinary housing market during the last two years and I think that there is no doubt that increases in prices did not directly reflect the cost of housing production. Land prices, particularly, rose at a rate that could not be justified in terms of cost.

I am confident that those days are over. I am looking to see land prices rolled back. I expect to see housing prices more closely related to production costs.

I expect to see enterprise adequately rewarded but those firms and individuals who have tried to squeeze the last drop from the lemon should be advised that times are changing.

In your own interests, and in response to the needs of Canadian families, I expect to see a very distinct shift

in 1975, away from large and expensive houses towards the low and medium-price ranges. That is where the market will be and that is where we will be focussing federal government support.

Before I sit down, I would like to say, in unequivocal terms, that I have every confidence that the Canadian housing industry will do its part to bring the country through 1975 in good shape.

Industry and government in Canada, each making its unique and important contribution, have a truly remarkable record of production in the post-war years and have enabled Canadians to become among the best housed people in the world. I have no doubt that, together, we will be more than a match for the challenge of 1975.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

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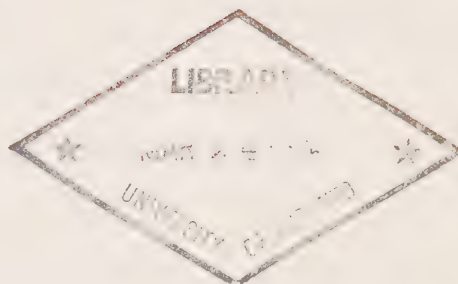
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OTTAWA

MARCH 3, 1975





MR. CHAIRMAN:

IT IS A PLEASURE FOR ME TO HAVE THE CHANCE TO MEET AND TALK WITH PEOPLE LIKE YOURSELVES WHO, EVERY DAY, ARE DEALING FACE-TO-FACE WITH THE REAL HOUSING PROBLEMS OF CANADIAN FAMILIES.

I DON'T WANT TO DISCOUNT, IN ANY WAY, THE IMPORTANT PART WHICH ECONOMISTS AND FINANCIAL ANALYSTS AND STATISTICIANS PLAY IN HELPING TO SOLVE HOUSING PROBLEMS. WE COULDN'T GET ALONG WITHOUT THEM. BUT THEY DEAL IN BIG NUMBERS, AND HOUSING -- AS ALL OF YOU KNOW -- IS A VERY PERSONAL THING. EACH TRANSACTION IS A HUMAN EXPERIENCE AND THE MOST IMPORTANT INVESTMENT MOST FAMILIES MAKE IN THEIR LIFETIME.

FOR MOST CANADIANS, THE HOUSING PROBLEM IS NOT WHETHER WE WILL ACHIEVE 200,000 OR 250,000 STARTS NEXT YEAR, OR WHETHER INVESTMENT IN RESIDENTIAL MORTGAGES WILL BE SIX BILLION OR SEVEN BILLION DOLLARS. WHAT THEY ARE WONDERING ABOUT IS -- WHERE ARE WE GOING TO GET ANOTHER \$500 FOR THE DOWN PAYMENT? AND IF I GIVE UP BOWLING AND YOU QUIT SMOKING, COULD WE HANDLE \$350 IN MONTHLY PAYMENTS?

YOU ARE CONSTANTLY AWARE OF THESE REALITIES IN YOUR DAILY WORK AND I HOPE THAT, IF WE SOMETIMES ARE INCLINED TO BE ABSTRACT AND THEORETICAL, YOU WILL BE QUICK TO REMIND US ABOUT THESE PEOPLE AND THEIR NEEDS.

I AM COUNTING ON YOU -- THIS YEAR MORE THAN EVER -- TO FULFILL YOUR PROFESSIONAL ROLE IN ACCOMMODATING PEOPLE WHO PRODUCE HOUSING AND THOSE WHO NEED AND WANT IT.

I SAY THIS BECAUSE I BELIEVE THAT THE HOUSING MARKET IN 1975 IS GOING TO BE MUCH MORE REALISTIC THAN IT HAS BEEN IN THE YEAR PAST. IN MANY WAYS IT IS GOING TO BE A LIVELIER MARKET AND A MUCH HEALTHIER ONE.

AT THE BEGINNING OF 1974, INFLATION WAS OUR NUMBER ONE PROBLEM. HOUSING PRICES WERE GOING OUT OF SIGHT. PRICES GENERALLY WERE WHATEVER THE TRAFFIC WOULD BEAR AND, BY AND LARGE, THEY HAD VERY LITTLE TO DO WITH THE COST OF ACQUIRING AND SERVICING LAND OR THE COST OF MATERIALS AND LABOR THAT WENT INTO THE BUILDING. MANY PEOPLE WERE SEIZED WITH INFLATION PSYCHOSIS -- BUYING OR TRADING-UP HOUSES ON SHEER SPECULATION, QUITE UNRELATED TO THEIR NEED FOR SHELTER. IF PRICES WERE RISING TWO OR THREE PER CENT A MONTH WHILE YOU WERE LOOKING AROUND, YOU DIDN'T WAST TIME NEGOTIATING A HARD BARGAIN.

AT THE SAME TIME, BECAUSE OF THE IMPACT ON INFLATION, THE DEMANDS ON MONEY MARKETS, AND OTHER WORLD-WIDE ECONOMIC TRENDS, THE COST OF MORTGAGE MONEY WAS RISING BEYOND THE MEANS OF EVEN FAIRLY AFFLUENT HOUSE BUYERS.

AS THE YEAR WENT ON THE MORTGAGE MONEY DRIED UP. LENDERS WERE RELUCTANT TO MAKE COMMITMENTS IN AN UNCERTAIN MARKET. THEN DEMAND DROPPED OFF. BUYERS WERE STARTING TO BALK AT THE PRICES AND BUILDERS WERE VERY WARY ABOUT BUILDING ON SPECULATION.

THE RESULT WAS THAT, BY THE END OF THE YEAR, WE HAD A LITTLE MORE THAN 222,000 HOUSING STARTS, A DROP OF 17 PER CENT FROM OVER 268,000 IN 1973. WHAT WAS WORSE, SOME OF THE MORE PESSIMISTIC OF THE FORECASTERS WERE PREDICTING THAT STARTS IN 1975 WOULD DROP WELL BELOW 200,000, EVEN AS LOW AS 172,000.

THESE PREDICTIONS COULD BE TRUE, IF THE FEDERAL GOVERNMENT WAS PREPARED JUST TO SIT BACK AND LET IT HAPPEN. THERE IS NO WAY THAT WE CAN ACCEPT A LEVEL OF STARTS IN 1975 THAT IS LESS THAN 210,000. I HOPE AND EXPECT WE CAN DO MUCH BETTER THAN THAT, BUT THAT IS OUR ABSOLUTE MINIMUM.

IN TERMS OF PEOPLE AND THEIR REAL NEEDS, 210,000 STARTS WOULD JUST TAKE CARE OF THE NEW HOUSEHOLDS THAT ARE BEING FORMED AND WOULD DO VERY LITTLE TO IMPROVE THE GENERAL HOUSING CONDITION OF CANADIANS. THE FEDERAL GOVERNMENT IS VERY FIRMLY COMMITTED TO SEE THAT ALL CANADIANS -- WHEREVER THEY MAY LIVE AND WHATEVER THEIR CIRCUMSTANCES -- HAVE ACCESS

TO GOOD HOUSING AT A COST THEY CAN AFFORD. I AM DETERMINED IN 1975 TO MAKE SOME SIGNIFICANT ADVANCES TOWARDS THAT GOAL AND I AM CONFIDENT THAT WE ARE GOING TO DO IT.

WE HAVE ALREADY TAKEN SOME IMPORTANT STEPS TOWARDS GETTING THE HOUSING INDUSTRY MOVING AGAIN -- TOWARDS BOOSTING PRODUCTION OF THE KIND OF HOUSING PEOPLE NEED.

THE FINANCE MINISTER IN HIS BUDGET TOOK SOME ACTION, OF WHICH YOU ARE AWARE, BY CUTTING THE SALES TAX ON BUILDING MATERIALS FROM 10 PER CENT TO FIVE PER CENT. HE ELIMINATED THE SALES TAX ON CONSTRUCTION EQUIPMENT AND ON MATERIALS USED FOR MUNICIPAL WATER DISTRIBUTION SYSTEMS. HE RESTORED, FOR ONE YEAR, CAPITAL COST ALLOWANCES ON MULTIPLE-UNIT BUILDINGS FOR RENTAL FOR PRIVATE INVESTORS. HE ANNOUNCED THE REGISTERED HOME OWNERSHIP SAVINGS PLAN WHICH WILL HELP PEOPLE -- PARTICULARLY YOUNG FAMILIES -- TO SAVE THE MONEY THEY NEED FOR A DOWN PAYMENT ON THEIR NEW HOME. THE RESTRICTIONS WHICH HAD BEEN REQUESTED IN THE SPRING ON HIGH-RATIO MORTGAGES WERE LATER REMOVED TO HELP STIMULATE PRODUCTION.

I ANNOUNCED \$500 TAX-FREE GRANTS FOR PURCHASERS OF NEW MODERATELY PRICED HOUSES AND I AM HAPPY TO SAY THAT IN THE FIRST SIX WEEKS OF THIS YEAR SOME \$2.3 MILLION HAS BEEN DISTRIBUTED IN THIS WAY TO MORE THAN 4,500 NEW HOMEOWNERS.

I RECENTLY TABLED IN THE HOUSE OF COMMONS THE 1975 CAPITAL BUDGET OF CENTRAL MORTGAGE AND HOUSING CORPORATION AND



IT AMOUNTS TO AN ALL-TIME HIGH OF ONE BILLION, 420 MILLION DOLLARS -- AN INCREASE OF ABOUT 12 1/2 PER CENT OVER 1974.

ALL OF THESE MEASURES, AND ALL OF THIS MONEY, ARE GOING TO HELP STIMULATE DEMAND AND GIVE PEOPLE GOOD, AFFORDABLE HOUSING BUT EVEN THAT IS NOT ENOUGH.

TAKING INTO ACCOUNT THE WHOLE RANGE OF THE FEDERAL GOVERNMENT'S RESPONSIBILITIES AND COMMITMENTS, THERE IS A LIMIT TO THE AMOUNT OF PUBLIC MONEY THAT CAN BE DIRECTED INTO EVEN SUCH AN IMPORTANT SECTOR AS HOUSING. IT IS EVIDENT THAT, IF WE ARE GOING TO HAVE A REAL IMPACT ON HOUSING IN THE NEXT FEW MONTHS, WE WILL NEED NOT ONLY PUBLIC FUNDS BUT A LOT MORE PRIVATE INVESTMENT AS WELL.

WE NOW HAVE BEFORE PARLIAMENT AMENDMENTS TO THE NATIONAL HOUSING ACT WHICH WILL STEER MORE PRIVATE CAPITAL INTO MODERATELY PRICED HOUSING IN 1975 -- BOTH FOR RENTAL AND FOR OWNERSHIP.

I AM SURE YOU ALL KNOW ABOUT OUR ASSISTED HOME OWNERSHIP PROGRAM. FOR FAMILIES WHO QUALIFY, IT ALLOWS US TO REDUCE MORTGAGE RATES TO EIGHT PER CENT AND, WHERE IT IS REQUIRED, TO ADD AN INTEREST-REDUCING GRANT OF UP TO \$600 A YEAR. THE PURPOSE IS TO ENABLE FAMILIES TO BUY THEIR OWN HOMES WHILE KEEPING MONTHLY PAYMENTS TO A REASONABLE PROPORTION OF THEIR INCOMES. THIS PROGRAM HAS BEEN FINANCED THROUGH DIRECT LOANS MADE BY CMHC AND WAS LIMITED BY THE AMOUNT OF CAPITAL THAT COULD BE BUDGETTED FOR THAT PURPOSE IN A YEAR. LAST YEAR WE HAD \$450 MILLION AND IT RAN OUT BEFORE THE YEAR WAS OVER.

ONE OF THE NEW AMENDMENTS TO THE ACT SAYS THAT FAMILIES WHO QUALIFY AND WHO CAN GET AN NHA-INSURED LOAN FROM AN APPROVED LENDER, ARE ELIGIBLE FOR THE INTEREST-REDUCING GRANT OF UP TO \$600 A YEAR. THE PRIVATELY FUNDED AHOP CAN BE USED TO BUY MODERATELY PRICED NEW HOUSES WITHIN GUIDELINES ESTABLISHED IN EACH MARKET AREA.

A SECOND AMENDMENT WILL BE OF BENEFIT TO PEOPLE WHO RENT THEIR ACCOMMODATION. IT WILL ALLOW CMHC TO PAY INTEREST-REDUCING GRANTS TO OWNERS OR BUILDERS OF RENTAL PROPERTY, PROVIDED THEY ARE WILLING TO ENTER AN AGREEMENT WITH CMHC ABOUT RENTS TO BE CHARGED. THIS AGREEMENT, WHICH WILL BE FOR AT LEAST FIVE YEARS AND MAY BE EXTENDED TO 15, ENSURES THAT THE BENEFITS PAID OUT IN PUBLIC MONEY ARE PASSED ON TO THE TENANTS.

IN BOTH OF THESE NEW PROGRAMS WE WILL BE COMBINING PUBLIC CONTRIBUTIONS AND PRIVATE CAPITAL TO CREATE THE KIND OF HOUSING THAT CANADIANS NEED MOST. REACTIONS FROM PEOPLE IN THE BUILDING INDUSTRY AND IN THE FINANCIAL COMMUNITY HAVE BEEN VERY ENCOURAGING AND, IF OUR EXPECTATIONS ARE BORNE OUT, IT COULD MEAN THE INFUSION OF AS MUCH AS A BILLION DOLLARS OF PRIVATE CAPITAL IN THE YEAR AHEAD.

THERE HAVE BEEN SOME ENCOURAGING SIGNS ALREADY IN THE EARLY WEEKS OF 1975. HOUSE PRICES IN MANY MARKETS HAVE BEEN DROPPING OR AT LEAST LEVELLING OFF. MORTGAGE RATES HAVE BEEN

DECLINING STEADILY AND CMHC HAS BEEN QUICK TO SUPPORT AND ENCOURAGE THIS TREND BY DROPPING THE RATES WHICH APPLY TO KEY PROGRAMS.

ALL IN ALL, I HAVE BETTER EXPECTATIONS FOR THE YEAR AHEAD THAN MANY COMMENTATORS YOU MAY HAVE HEARD AND I AM GOING TO DO EVERYTHING I CAN TO MAKE THESE EXPECTATIONS COME TRUE.

THESE ARE MY PRIORITIES FOR 1975:

\* FIRST, TO GET THE BUILDING INDUSTRY MOVING AGAIN AND TO RESTORE THE RATE OF HOUSING OUTPUT, WE NEED TO MEET OUR GROWING REQUIREMENTS -- CERTAINLY NOT LESS THAN 210,000 STARTS.

\* SECOND, TO ENSURE THAT AS MANY OF THESE STARTS AS POSSIBLE ARE IN THE LOW AND MEDIUM PRICE RANGE TO MATCH THE NEEDS OF MOST CANADIANS. THIS IS THE MARKET WHERE THE FEDERAL GOVERNMENT WILL BE ACTIVE AND THIS IS THE ONLY RANGE WHERE FEDERAL GOVERNMENT ASSISTANCE WILL APPLY.

\* AND THIRD, WITHIN THESE PRICE RANGES, I WANT TO PUT A SPECIAL EMPHASIS ON RENTAL ACCOMMODATION FOR FAMILIES, SINCE THIS IS THE KIND OF HOUSING MOST SORELY NEEDED NOW, WITH VACANCY RATES ACROSS THE COUNTRY AVERAGING LESS THAN TWO PER CENT.

THESE PRIORITIES ARE REFLECTED IN CMHC'S 1975 CAPITAL BUDGET OF \$1.4 BILLION. IT SHOWS A SPECIAL CONCERN FOR THOSE HOUSING PROGRAMS WHICH ARE MOST LIKELY TO PRODUCE MODERATELY PRICED HOUSING QUICKLY IN RESPONSE TO THE URGENT NEED FOR MORE PRODUCTION.

SOME OF THE PROVINCIAL GOVERNMENTS EVIDENTLY DON'T SHARE MY VIEWS ABOUT THE STATE OF HOUSING PRODUCTION IN CANADA OR THE NEED FOR THIS KIND OF STIMULATION BY THE FEDERAL GOVERNMENT. SOME OF THEM FEEL THAT THEY WOULD LIKE TO USE FEDERAL FUNDS IN OTHER WAYS AND FOR DIFFERENT PURPOSES. CERTAINLY I WOULD LIKE TO ACCOMMODATE ALL PROVINCIAL PRIORITIES AND I PUT GREAT WEIGHT ON PROVINCIAL PERCEPTIONS OF NEED BUT I MUST ALSO TAKE INTO ACCOUNT THE NATIONAL PERSPECTIVE AND THE INTERESTS OF CANADIANS AS A NATION. I, AND MY OFFICIALS AT CMHC, ARE IN CONSTANT TOUCH WITH THE PROVINCIAL GOVERNMENTS AND WE ARE CERTAINLY ANXIOUS TO CONSULT AND AS CONDITIONS CHANGE AND DEVELOP THROUGHOUT THE YEAR, TO MAKE ADJUSTMENTS AS THEY SEEM TO BE WARRANTED.

SOMEHOW, BECAUSE THE FEDERAL GOVERNMENT IS EMPHASIZING QUICK STARTS IN THE HOUSING BUDGET, AND BECAUSE WE ARE AMENDING THE NATIONAL HOUSING ACT TO INTRODUCE TWO NEW, PRIVATELY FUNDED PROGRAMS, THE IMPRESSION HAS BEEN CREATED THAT WE ARE GETTING OUT OF LOW-INCOME HOUSING AND CATERING TO THE NEEDS OF THE AFFLUENT.

THIS IS A TOTAL MISCONCEPTION OF OUR CONCERNS AND OBJECTIVES.

WE ARE STILL IN PUBLIC HOUSING IN A VERY BIG WAY. THE 1975 CAPITAL BUDGET PROVIDES MORE THAN \$257 MILLION FOR PUBLIC HOUSING, EITHER THROUGH LOANS TO PROVINCES OR THROUGH



FEDERAL-PROVINCIAL PARTNERSHIP ARRANGEMENTS -- AN INCREASE OF SOME \$22 MILLION OVER LAST YEAR.

THE LEGISLATION NOW BEFORE THE HOUSE WILL EXPAND ASSISTANCE FOR HOME-OWNERSHIP BUT IT WILL NOT REPLACE THE PRESENT AHOP PROGRAM WHICH IN SOME PARTS OF THE COUNTRY, FOR PEOPLE ON VERY LIMITED INCOMES, CAN REDUCE MORTGAGE INTEREST TO AN EFFECTIVE RATE AS LOW AS SIX PER CENT.

THE NEW BILL WILL INCREASE THE HELP AVAILABLE TO PEOPLE OF LIMITED MEANS WHO RENT THEIR HOUSING AND IT OFFERS A NEW KIND OF HELP TO NON-PROFIT HOUSING ORGANIZATIONS TO LEASE THEIR LAND. IT DOES NOT ELIMINATE OR REPLACE ANY OF THE EXISTING, SUCCESSFUL ASSISTED RENTAL PROGRAMS OR CO-OPERATIVE HOUSING PROGRAMS.

THE WHOLE BROAD RANGE OF SOCIAL HOUSING PROGRAMS UNDER THE NHA WILL CONTINUE TO BE AVAILABLE -- AND SOME IMPORTANT NEW ONES AS WELL. BUT WE ARE NOT IN THE BUSINESS OF HELPING PEOPLE WHO ARE PERFECTLY ABLE TO LOOK AFTER THEMSELVES.

AS A POLITICIAN I AM USED TO BEING CRITICIZED ON EVERY SIDE. WITH REGARD TO AHOP, I AM ATTACKED, ON THE ONE HAND, BECAUSE IT WILL FINANCE ONLY VERY MODEST HOUSING AND, ON THE OTHER HAND, BECAUSE IT IS SAID TO BE SUPPORTING THE AFFLUENT IN LUXURY. I CAN'T BE GUILTY ON BOTH COUNTS. THE

FACT IS THAT AHOP GIVES FAMILIES THE HELP THEY NEED WITHIN CERTAIN LIMITS AND RESTRAINTS WHICH ENSURE THAT OUR INTERVENTION DOES NOT CONTRIBUTE TO INFLATION AND ESCALATING PRICES. SOME PEOPLE SAY WE ARE TOO GENEROUS. SOME SAY WE ARE TOO TIGHT-FISTED. WE TRY TO AVOID BOTH FAULTS -- BUT IT ISN'T ALWAYS EASY.

MY ADVICE FOR 1975 IS THAT, IF YOU ARE LOOKING TO SELL HOUSES YOU WOULD BE WISE TO CONCENTRATE YOUR EFFORTS IN THE LOWER AND MIDDLE PRICE RANGES. THAT'S WHERE WE ARE GOING TO BE. IF YOU ARE SELLING \$50,000 HOUSES, YOU'RE ON YOUR OWN. BUT IN THE LOWER RANGES -- WHERE HOUSES CAN BE BUILT, AND ARE BEING BUILT -- THERE IS A WIDE RANGE OF GOVERNMENT ASSISTANCE FOR LOWER AND MODERATE INCOME FAMILIES.

I KNOW THAT BUILDERS PLACE A GOOD DEAL OF RELIANCE ON YOUR ASSESSMENT OF POTENTIAL MARKETS AND I HOPE THAT YOUR ADVICE TO THEM FOR 1975 WILL BE TO SHIFT PRODUCTION INTO THE LOWER PRICE RANGES.

THERE IS NO DOUBT IN MY MIND THAT 1975, IN THE EARLY MONTHS AT LEAST, IS GOING TO BE A BUYER'S MARKET. IT WILL BE THE YEAR OF THE PRUDENT BUYER. PEOPLE WHO NEED HOUSING, OR NEED BETTER HOUSING, ARE READY TO BUY AND THEY KNOW THEY DON'T HAVE TO SETTLE FOR ANYTHING SECOND-RATE. THE SUCCESSFUL SELLER IN 1975 WILL BE THE ONE WHO IS READY TO SHARPEN HIS PENCIL AND SETTLE FOR AN ADEQUATE PROFIT RELATED TO HIS COSTS.

AS I SUGGESTED TO YOU A FEW MINUTES AGO, THIS SITUATION WILL DEMAND YOUR EXPERTISE AND PROFESSIONAL SKILL. I SEE THE RETURN OF A HEALTHY, OPEN AND COMPETITIVE MARKET AND I WELCOME IT IN THE PUBLIC INTEREST. IN THAT REGARD, I WOULD LIKE TO CONGRATULATE THE ONTARIO REAL ESTATE ASSOCIATION ON THEIR RECENT DECISION, IN THE INTEREST OF A FREE MARKET, TO RECOMMEND TO ITS MEMBER BOARDS THE REMOVAL OF RESTRICTIONS ON COMMISSION RATES. I HOPE THAT WISE POLICY WILL PREVAIL THROUGHOUT THE PROVINCE AND, IN FACT, THROUGHOUT CANADA AND WILL BE A FURTHER FACTOR IN REDUCING HOME-BUYING COSTS.

I THINK THAT YOU HAVE AN ATTRACTIVE PACKAGE TO SELL TO PEOPLE IN THE MODERATE INCOME RANGES -- A \$500 DOWN PAYMENT BONUS FOR FIRST-TIME BUYERS, FEDERAL INTEREST-REDUCING GRANTS TO HELP FAMILIES WHO QUALIFY TO REDUCE THEIR MONTHLY PAYMENTS, AND, OF COURSE, THE VARIOUS PROGRAMS OF ASSISTANCE WHICH ARE AVAILABLE FROM THE ONTARIO GOVERNMENT.

I WANT TO ASSURE YOU THAT, TO THE EXTENT THAT YOU ARE ABLE AND WILLING TO APPLY YOUR KNOWLEDGE AND EXPERIENCE TO THE ACHIEVEMENT OF CANADA'S HOUSING OBJECTIVES, YOU WILL HAVE MY FULL SUPPORT, AND THE FULL SUPPORT OF THE FEDERAL GOVERNMENT.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
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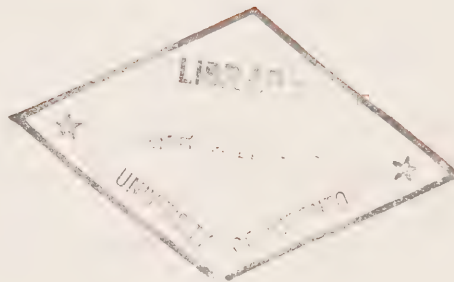
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DUCA (TORONTO) CREDIT UNION

TORONTO

MARCH 15, 1975



*Historical Record*

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THANK YOU FOR INVITING ME TO ADDRESS YOUR ANNUAL MEETING. I KNOW THAT CREDIT UNIONS HAVE AN IMPORTANT POTENTIAL FOR INVESTMENT IN THE HOUSING MARKET, AND I WAS PLEASED TO LEARN THAT YOUR CREDIT UNION HAS A LARGE PROPORTION OF ITS ASSETS -- SOMETHING AROUND NINE MILLION DOLLARS -- INVESTED IN FIRST AND SECOND MORTGAGES. THIS, IN MY OPINION, INDICATES BOTH WISE INVESTMENT POLICY AS WELL AS A MOST VALUABLE SERVICE TO YOUR MEMBERS.

I HAVE ON PREVIOUS OCCASIONS STATED MY BELIEF THAT ALL CANADIANS SHOULD HAVE ACCESS TO GOOD HOUSING AT A COST THEY CAN AFFORD. THE AVAILABILITY OF MORTGAGE FUNDS IS AN IMPORTANT FACTOR IN THE PROVISION AND THE COST OF HOUSING, AND I INTEND TO CONTINUE TO DO EVERYTHING POSSIBLE TO ENCOURAGE THE FLOW OF PRIVATE CAPITAL INTO THE HOUSING MARKET. A NUMBER OF LEGISLATIVE MEASURES HAVE ALREADY BEEN TAKEN TOWARDS THIS OBJECTIVE, AND, AS A RESULT, MORTGAGE FUNDS HAVE BECOME MUCH MORE PLentiful.

BEFORE DISCUSSING THE POLICIES AND PROGRAMS OF THE GOVERNMENT OF CANADA IN THE HOUSING FIELD, I WOULD LIKE TO TAKE A MOMENT TO SAY A FEW WORDS ABOUT THE ROLE OF CREDIT UNIONS IN ASSISTING THEIR MEMBERS TO BUY HOMES.

CREDIT UNIONS ALREADY ARE INVESTORS IN THE MORTGAGE MARKET IN TERMS OF THEIR ASSETS. LAST YEAR, FOR EXAMPLE, ABOUT 34 PER CENT OF THE TOTAL ASSETS OF ALL CREDIT UNIONS IN CANADA WAS INVESTED IN MORTGAGES. THIS REPRESENTED OVER FOUR BILLION DOLLARS IN OUTSTANDING MORTGAGE LOANS, AND THIS FIGURE DOES NOT INCLUDE PERSONAL LOANS MADE TO MEMBERS TO ASSIST IN THEIR HOUSING REQUIREMENTS.

AS YOU KNOW, CENTRAL MORTGAGE AND HOUSING CORPORATION INSURES LOANS MADE BY APPROVED LENDERS, WHICH ARE SIMPLY FINANCIAL INSTITUTIONS THAT HAVE ENOUGH CAPITAL AND THE NECESSARY ADMINISTRATIVE EXPERIENCE TO MAKE AND ADMINISTER MORTGAGE LOANS. FOR ORGANIZATIONS LIKE CREDIT UNIONS, YOU MUST HAVE A CASH SURPLUS AND RESERVES OF \$1 MILLION AND, OF COURSE, HAVE PROVEN EXPERIENCE IN MORTGAGE LENDING. IN RECENT YEARS, AN INCREASING NUMBER OF CREDIT UNIONS, INCLUDING CAISSES POPULAIRES, OF COURSE, HAVE ENTERED THE MORTGAGE FIELD, AND THERE ARE NOW 18 APPROVED LENDERS AMONG CANADA'S CREDIT UNIONS.

I MIGHT MENTION THAT NONE OF THESE ARE IN ONTARIO, ALTHOUGH THE FEDERATION OF CAISSES POPULAIRES OF ONTARIO DOES HANDLE MORTGAGES ON BEHALF OF THE 61 INDIVIDUAL CAISSES IN THE PROVINCE.

I KNOW THAT MANY INDIVIDUAL CREDIT UNIONS, IN ONTARIO AS ELSEWHERE, DO NOT HAVE SUFFICIENT CAPITAL TO QUALIFY AS AN APPROVED LENDER. IN RECENT YEARS, HOWEVER,



SOME LOCAL CREDIT UNIONS WHO ARE PARTICULARLY INTERESTED IN BECOMING APPROVED LENDERS HAVE COMBINED THEIR RESOURCES AS A PROVINCIAL OR A REGIONAL BODY IN ORDER TO MEET THE CAPITALIZATION REQUIREMENTS WHILE PROVIDING THE NECESSARY ADMINISTRATIVE SKILLS REQUIRED.

AS ONE WHO IS MOST ANXIOUS TO SEE MUCH MORE CAPITAL INVESTED IN THE RESIDENTIAL MORTGAGE MARKET, I WOULD LIKE TO ENCOURAGE THIS APPROACH STRONGLY, PARTICULARLY IN ONTARIO. APPROVED LENDERS CAN HOLD MORTGAGES FOR AS MUCH AS 95 PER CENT OF THE PRICE OF THE HOUSING UNIT AND, AS I MENTIONED EARLIER, THE MORTGAGE IS INSURED BY CMHC.

I WAS INTERESTED TO NOTE LAST WEEK THAT THE ONTARIO MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS HAS PROPOSED EXPANDED POWERS FOR CREDIT UNIONS IN ONTARIO. ONE OF THESE PROPOSALS WAS THAT CREDIT UNIONS BE ENABLED TO INVEST IN GUARANTEED OR INSURED MORTGAGES AND IN REAL ESTATE FOR INVESTMENT PURPOSES.

MORTGAGES ARE A SOUND INVESTMENT, EITHER FOR SHORT OR LONG-RANGE PLANNING. THE FIVE-YEAR "ROLL OVER" OR RENEWAL POLICY WHICH ALLOWS RENEGOTIATION OF MORTGAGE RATES AT FIVE-YEAR INTERVALS, PROVIDES A PRACTICAL SHORT-TERM FEATURE TO MORTGAGES, WHICH FORMERLY WERE IN THE LONG-TERM "LOCK-IN" CATEGORY.

IT IS MY HOPE THAT MORE CREDIT UNIONS WILL GIVE SERIOUS CONSIDERATION TO MORTGAGE INVESTMENT. I FEEL IT WILL BE A SOUND FINANCIAL UNDERTAKING AS WELL AS A WELCOME SERVICE TO MEMBERS.

ALL OF YOU ARE AWARE THAT THERE IS A SERIOUS SHORTAGE OF HOUSING IN THE MAJOR URBAN CENTRES OF CANADA. LAST YEAR HOUSING STARTS DECREASED BY 17 PER CENT FROM THE PREVIOUS YEAR TO A TOTAL OF SLIGHTLY MORE THAN 222 THOUSAND. THERE WERE A NUMBER OF REASONS FOR THIS DISAPPOINTING LAG IN PRODUCTION. INFLATION WAS THE BIGGEST SINGLE PROBLEM. THE DEMAND FOR HOUSING IN THE FIRST FEW MONTHS OF THE YEAR AS WELL AS INFLATION PSYCHOLOGY PUSHED PRICES BEYOND THE LEVEL AT WHICH MANY PEOPLE COULD REASONABLY BUY. THIS FACT, COUPLED WITH A GENERAL SLOW-DOWN IN ECONOMIC ACTIVITY, PUT THE BRAKES ON HOUSING PRODUCTION AND THE NUMBER OF STARTS DROPPED DRAMATICALLY FROM THE RECORD LEVELS ESTABLISHED IN THE EARLY MONTHS OF THE YEAR.

AT THE TURN OF THE YEAR, SOME FORECASTERS WERE GLOOMILY PREDICTING THAT HOUSING STARTS IN 1975 COULD DROP TO AS LOW AS 172,000, BASING THEIR ESTIMATE ON AN EXPECTED GENERAL SLOWDOWN IN ECONOMIC ACTIVITY IN CANADA AS WELL AS WEAKENED EXPORT TRADE IN A WORLD OF HIGH INFLATION AND LOW ECONOMIC ACTIVITY.

THOSE WHO PAINTED SUCH A GLOOMY PICTURE FAILED TO TAKE INTO ACCOUNT THE INTERVENTION OF A GOVERNMENT THAT WILL NOT ACCEPT THAT KIND OF PERFORMANCE.

ON THE BASIS OF POPULATION PROJECTIONS, FAMILY FORMATIONS AND THE STATE OF PRESENT HOUSING STOCK, IT IS EVIDENT THAT WE WILL NEED 210,000 STARTS IN 1975 JUST TO STAY EVEN. THAT IS A MINIMUM FIGURE, AND WE WILL NOT SETTLE FOR LESS.

I FEEL THERE IS EVERY REASON FOR CONFIDENCE THAT THE HOUSING INDUSTRY WILL BE REJUVENATED DURING 1975. THE DECLINE IN INTEREST RATES ALONE IS AN IMPORTANT POSITIVE FACTOR, BUT THERE ARE THREE OTHER PRINCIPAL REASONS FOR OPTIMISM. THESE ARE THE MEASURES TAKEN LAST FALL BY THE MINISTER OF FINANCE TO ASSIST THE HOUSING INDUSTRY; THE HIGHLY ENCOURAGING RESPONSE TO PROGRAMS INTRODUCED LAST YEAR THROUGH CMHC; AND AMENDMENTS TO THE NATIONAL HOUSING ACT THAT I INTRODUCED RECENTLY AND ARE NOW BEFORE PARLIAMENT.

I WOULD LIKE TO TAKE A FEW MOMENTS TO DESCRIBE THESE MEASURES VERY BRIEFLY.

THE BUDGET PRODUCED A REDUCTION IN SALES TAX ON BUILDING MATERIALS FROM 11 TO 5 PER CENT, AND ELIMINATED THE SALES TAX ON CONSTRUCTION EQUIPMENT AND ON MATERIALS USED IN MUNICIPAL WATER DISTRIBUTION SYSTEMS. THE EFFECT OF THESE MEASURES WILL ULTIMATELY BE REFLECTED IN THE PRICE OF HOUSING AND THE VOLUME OF BUILDING AND SALES.

THE BUDGET RESTORED, FOR A YEAR, CAPITAL COST ALLOWANCES ON NEW MULTIPLE-UNIT RESIDENTIAL BUILDINGS AS AN INCENTIVE TO BUILDERS FOR QUICK STARTS. IT INTRODUCED THE REGISTERED HOME OWNERSHIP SAVINGS PLAN, WHICH WILL ALLOW CANADIANS, PARTICULARLY YOUNG COUPLES STARTING OUT, TO INVEST UP TO \$2,000 A YEAR, TAX FREE, TOWARD THE PURCHASE OF THEIR FIRST HOME OR THE FURNISHINGS FOR IT. AND IF YOU CALCULATE THE INTEREST RATE ON THE \$20,000 PER COUPLE MAXIMUM SAVINGS, YOU CAN SEE A SUBSTANTIAL RETURN ON INTEREST OVER THE PERIOD.

THE RESTRICTIONS ON HIGH-RATIO MORTGAGES WHICH HAD BEEN REQUESTED EARLIER IN THE YEAR WERE REMOVED TO HELP STIMULATE PRODUCTION.

I WAS VERY PLEASED TO BE ABLE TO ANNOUNCE A \$500 GRANT TO FIRST-TIME PURCHASERS OF MODERATELY-PRICED NEW HOMES AND, BY THE END OF FEBRUARY, WE HAD ALREADY SENT OUT WELL OVER \$3 MILLION IN CHEQUES TO SOME 4,500 NEW HOME BUYERS.

THESE MEASURES ARE HELPFUL IN STIMULATING CONSTRUCTION, BUT A MORE COMPREHENSIVE APPROACH TO BOOST SUPPLY AND STIMULATE DEMAND WAS OBVIOUSLY REQUIRED.

OUR SUCCESS IN 1974 WITH THE ASSISTED HOME OWNERSHIP PROGRAM AND THE \$58 MILLION LOW-COST RENTAL PROGRAM LED TO AMENDMENTS TO THE NATIONAL HOUSING ACT WHICH I INTRODUCED IN THE HOUSE LAST DECEMBER AND WILL, I HOPE, BECOME LAW VERY SOON.



THE AMENDMENTS ARE INTENDED TO DIRECT SUBSTANTIALLY MORE PRIVATE FUNDS INTO HOUSING PRODUCTION WHERE THE GREATEST NEED EXISTS.

UNDER THE NEW AMENDMENTS, BUYERS OF NEW HOMES WHO MEET ALL OF THE QUALIFICATIONS FOR AHOP ASSISTANCE, AND WHO OBTAIN AN NHA-INSURED LOAN FROM AN APPROVED LENDER, WILL RECEIVE UP TO \$600 A YEAR IN INTEREST-REDUCING GRANTS TO BRING THEIR MONTHLY PAYMENTS WITHIN A REASONABLE PROPORTION OF THEIR INCOME. THE AMENDMENTS ALSO MAKE GRANTS AVAILABLE TO OWNERS OR BUILDERS OF RENTAL ACCOMMODATION WHO ARRANGE AN NHA-INSURED LOAN FROM AN APPROVED LENDER, WITH THE STIPULATION THAT THE ENTREPRENEURS ENTER AN AGREEMENT WITH CMHC TO MAINTAIN RENTS AT AN APPROVED LEVEL.

THROUGH THESE MEASURES, WE ARE ATTEMPTING TO USE THE LEVERAGE OF PUBLIC FUNDS TO INDUCE A GREATER VOLUME OF PRIVATE MORTGAGE MONEY INTO THE MARKET THAN WOULD OTHERWISE BE AVAILABLE.

THE ENCOURAGING COMMENTS BY PEOPLE IN THE BUILDING INDUSTRY GIVE ME OPTIMISM THAT A BILLION DOLLARS OR MORE OF PRIVATE-SECTOR CAPITAL COULD BE INJECTED INTO HOUSING IN CANADA THROUGH THESE PROGRAMS DURING THE YEAR.

THE PRIVATE FUNDS, OF COURSE, WILL COMPLEMENT OUR 1975 CAPITAL BUDGET OF \$1.4 BILLION, THE HIGHEST EVER. I THINK THIS COMBINATION OF GOVERNMENT GRANTS AND PRIVATE

CAPITAL IS A MOST INTELLIGENT WAY OF USING ALL OUR FINANCIAL RESOURCES TO STIMULATE HOUSING PRODUCTION.

IN ADDITION TO OUR CAPITAL BUDGET, CMHC'S EXPENDITURES IN SUBSIDIES AND OTHER CONTRIBUTIONS ARE ESTIMATED AT MORE THAN \$276 MILLION FOR 1975, AN INCREASE OF MORE THAN 92 PER CENT OVER THE AMOUNT FORECAST FOR THE PREVIOUS YEAR. THAT COMPARISON TELLS THE TRUE STORY OF HOW HIGH A PRIORITY WE ARE GIVING TO HOUSING THIS YEAR.

WE RECENTLY PUBLISHED ADVERTISEMENTS IN THE DAILY NEWSPAPERS OFFERING LOANS AMOUNTING TO \$200 MILLION AT 3 PER CENT INTEREST TO BUILDERS IN CRITICAL MARKET AREAS WHO ARE PREPARED TO ACT FAST IN CREATING GOOD RENTAL HOUSING FOR PEOPLE OF MODEST INCOMES AT RENTS TO BE AGREED UPON WITH CMHC. I HAVE NO DOUBT THAT THE BUILDING INDUSTRY IS GOING TO RESPOND TO THAT OFFER IN A VERY ENTHUSIASTIC WAY AND THAT WE WILL BE ABLE TO ASSIST ABOUT 8,000 CANADIAN FAMILIES IN THIS WAY.

THERE IS A NOTION IN SOME QUARTERS THAT WE ARE DIRECTING MONEY TO THE HOUSING NEEDS OF THE AFFLUENT, PARTICULARLY THROUGH THE AHOP PROGRAM, AND THAT WE ARE THEREFORE NEGLECTING THE NEEDS OF LOW AND MODERATE-INCOME EARNERS. THERE ARE TWO IMPORTANT CONSIDERATIONS HERE. THE FIRST IS THAT THE AVERAGE INCOME FOR THOSE 20,000 FAMILIES WHO WERE HELPED BY AHOP IN 1974 WAS ONLY \$9,336, WHICH IS CONSIDERABLY LESS THAN THE \$12,500 AVERAGE INCOME OF ALL CANADIAN FAMILIES. OBVIOUSLY

THROUGHOUT CANADA, AHOP IS PRIMARILY A LOW-INCOME HOUSING PROGRAM. ANOTHER IMPORTANT POINT IS THAT I AM PLEDGED TO HELP ALL CANADIANS OBTAIN GOOD HOUSING AT PRICES THEY CAN AFFORD -- NOT JUST THE POOR. THERE ARE MANY YOUNG FAMILIES JUST STARTING OUT, WHO CAN'T BE CALLED POOR BUT WHO ARE VERY MUCH IN NEED OF A LITTLE HELP FROM THE GOVERNMENT.

MY OVER-RIDING CONCERN JUST NOW IS TO STIMULATE THE PRODUCTION OF HOUSING FOR CANADIANS IN EVERY PART OF THE COUNTRY JUST AS QUICKLY AS IT CAN BE DONE. THIS MEANS THAT WE HAVE TO DIRECT MONEY INTO PROGRAMS THAT PROMISE A QUICK START.

WE ARE MOST CERTAINLY NOT NEGLECTING PROGRAMS FOR THOSE IN GREATEST NEED. WE HAVE ALLOCATED \$257 MILLION IN THE CAPITAL BUDGET FOR PUBLIC HOUSING UNDER FEDERAL-PROVINCIAL LOANS AND PARTNERSHIP AGREEMENTS, WHICH IS AN INCREASE OF SOME \$5 MILLION OVER 1974.

IN ADDITION TO THAT, I RECENTLY ANNOUNCED THAT THE FEDERAL GOVERNMENT WILL SHARE THE COST OF MAKING RENTAL HOUSING AVAILABLE TO LOW-INCOME PEOPLE IN NON-PROFIT AND CO-OPERATIVE PROJECTS AT RENTS ADJUSTED TO THEIR INCOME. THIS POLICY REPRESENTS A NEW AND A DIFFERENT WAY OF HELPING PEOPLE WHO CANNOT AFFORD SUITABLE HOUSING. IT GIVES THEM AN ALTERNATIVE TO PUBLIC HOUSING AT A COST THEY CAN AFFORD, AND IT ALSO ACHIEVES A MORE DESIRABLE INTEGRATION, SINCE UP TO 25 PER CENT OF THE UNITS IN EACH PROJECT WILL BE ELIGIBLE FOR ASSISTANCE.

SO FAR I HAVE TOLD YOU ABOUT SOME OF OUR ACTIVITIES IN STIMULATING THE PRODUCTION OF HOUSING, WHICH IS OF COURSE A VITAL CONSIDERATION. ANOTHER IMMEDIATE CONCERN IS CONSUMER PROTECTION FOR NEW HOME BUYERS. AT THE MOMENT, THE PURCHASER OF A NEW HOME IN MOST CASES HAS NO LEGAL PROTECTION AGAINST DEFECTS OF EITHER A SERIOUS OR A MINOR NATURE THAT MAY SHOW UP AFTER HE HAS BOUGHT THE HOUSE AND MOVED IN.

MY PREDECESSOR, RON BASFORD, WHO AS YOU KNOW IS NOW THE MINISTER OF NATIONAL REVENUE, PROPOSED A SYSTEM OF CONSUMER PROTECTION A YEAR AGO, AND IT APPEARS NOW THAT AGREEMENT WILL SOON BE REACHED WITH ALL CONCERNED PARTIES ABOUT THE COMPOSITION AND CHARACTER OF A COUNCIL TO IMPLEMENT THE SYSTEM.

THERE HAS BEEN GENERAL AGREEMENT FOR SOME TIME AMONG BUILDERS, CONSUMERS AND THE FEDERAL AND PROVINCIAL GOVERNMENTS, AS WELL AS CMHC, ON THE MAIN ELEMENTS OF A PROTECTION SYSTEM. IT WOULD INVOLVE THE REGISTRATION OF PARTICIPATING BUILDERS, OF COURSE, BUT ALL REPUTABLE BUILDERS SUPPORT THE PLAN, SO THERE ARE NO DIFFICULTIES ANTICIPATED IN THAT AREA. THE INSPECTION OF HOUSES DURING CONSTRUCTION IS AN OBVIOUS REQUIREMENT, AND WE WOULD ALSO REQUIRE BUILDERS TO PROVIDE WARRANTIES REGARDING THE QUALITY OF THE HOUSE AND ITS CONTINUED PERFORMANCE OVER A REASONABLE PERIOD OF TIME.



UNDER THE PROPOSED SYSTEM, WHICH I EXPECT TO BECOME A REALITY VERY SOON, BUILDERS WOULD COLLECTIVELY INSURE THE HOME-BUYER AGAINST FAILURE OF A PARTICULAR BUILDER TO HONOR HIS OBLIGATIONS. IT WILL ALSO BE NECESSARY TO PROVIDE EFFECTIVE CONCILIATION FACILITIES TO RESOLVE ANY DISPUTE OR MISUNDERSTANDINGS THAT MAY ARISE.

WE IN THE FEDERAL GOVERNMENT FEEL STRONGLY THAT THE COUNCIL SHOULD BE INDEPENDENT, WITHOUT UNDUE INFLUENCE FROM BUILDERS, GOVERNMENTS, FINANCIAL INSTITUTIONS OR ANY OTHER SINGLE GROUP AND I BELIEVE WE HAVE GENERAL AGREEMENT ON THAT PRINCIPLE.

ALL INTERESTED ORGANIZATIONS HAVE BEEN INVITED TO SEND REPRESENTATIVES TO A MEETING IN THE FIRST WEEK OF APRIL FOR CONSIDERATION OF THE PROPOSAL. IF IT IS ACCEPTABLE, AND I HAVE EVERY CONFIDENCE THAT IT WILL BE, WE WILL BEGIN IMMEDIATELY TO DEVELOP PLANS FOR CREATING THE NEW INSTITUTION AND PUTTING IT TO WORK AS QUICKLY AS POSSIBLE.

IN CLOSING, I WOULD LIKE TO PAY SINCERE TRIBUTE TO THE CREDIT UNION MOVEMENT GENERALLY FOR THE IMPORTANT ROLE IT HAS PLAYED IN CANADA. IN THIS PROVINCE ALONE, THERE ARE ABOUT 1,300,000 MEMBERS OF 1,300 CREDIT UNIONS AND CAISSES POPULAIRES, WITH ABOUT \$1.6 BILLION IN ASSETS.

THAT IS A FORMIDABLE AMOUNT OF MONEY, AND IT WOULD GIVE ME GREAT PLEASURE TO SEE EVEN MORE OF IT INVESTED IN ONE OF THE MOST FUNDAMENTAL ELEMENTS OF A STABLE SOCIETY, DECENT HOUSING FOR ALL CITIZENS.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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Notes for an Address

"An Urban Strategy for Canada"

to The Conference Board in Canada

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Wednesday, April 2, 1975



*Statement and Speeches*

Ministry of State

Ministère d'État

Urban Affairs Canada

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Mr. Chairman, Ladies and Gentlemen

Canadians are about to make a number of critical choices that will affect fundamentally the future quality of urban life in Canada. Today I would like to talk to you about some of those choices, specifically:

- What is the desirable future size of Canada's population and its rate of growth?
- What is to be the distribution of our future population across Canada and in our urban communities?
- How can we best manage our future urban growth so as to create the kind of cities and communities that we want?

I want to stress the need for a broad consensus on a national demographic policy and I want to mention the process that I am now launching to evolve an urban strategy for Canada, in consultation with the provinces, their municipalities and Canadians generally.

As most of you know, the activities of my Portfolio that get reported in the media daily relate to housing, particularly to the numbers game of housing starts. Housing starts are, of course, very important. The urgent need for new homes is a problem that must be tackled and solved anew each year. It has often been said that we are the best housed people in the world, both in qualitative and quantitative terms and I am confident



that with continued government support and private sector activity we shall continue to be.

But this is only a part, though an important part, of my responsibility as Minister of State for Urban Affairs.

What concerns me deeply is the type of society and environment we are developing. Good housing must be set in good communities and be compatible with its surrounds while serving the economic and social needs of those who inhabit it.

I'm really saying that while addressing the immediate and the urgent, we must do so with a vision of Canada's future. It is a peculiar and hopeful sign of our nature that we want to leave this earth somewhat better than we found it. Our children, following fast on our heels, are pushing us to look at the society we are developing with a different set of values. The conventional wisdom of the past is no longer valid. Even if our values were not changing, technology and events are affecting us so that new, if not greater, wisdom is necessary.

It is only recently that we have begun to question economic growth as an acceptable end in itself. In our cities, we are now coming to the realization that unrestrained growth at very rapid rates may not even be economic. Of course, the growth of Canada's cities has brought with it enormous benefits - economic opportunity,





higher educational levels, a rich social and cultural life, a diversity of life styles, good restaurants and shops -- most of the things considered to be worthwhile. We are only now, in our largest cities, realizing the costs of too rapid growth -- congestion, higher land and housing costs, social tension, the receding countryside.

Future Canadian urban growth promises benefits as great or greater than in the past, providing we can manage its pace and shift its polarization. If we can't -- or won't -- the costs could reduce and ultimately eliminate the promised benefits.

Fortunately we have a good base on which to build. Canadian cities are still great places to live. I love cities. There are a great number of compensating qualities for the congestion and high cost of big city living, including a broad choice of interesting friends and a diversity of activity. No matter what happens, many -- perhaps most -- Canadians will choose the major cities. But it ought to be a true choice between reasonably equal options rather than the only way to find a rich life or to pursue opportunity. One of the most important tasks of government in the coming decade is to provide the options of living a rich and rewarding life in our small towns and cities and our medium sized urban centres.

Canadians are a favoured people. We are fortunate in that



our technology and resources give us the opportunity to exercise choice to a degree that is denied most societies. And we are at a stage in our development when our options are still largely open.

At the present time, it appears that Canada is headed for a future that is not only urban but one in which the overwhelming majority of Canadians will be concentrated in a small number of very large urban regions. Indeed, by the turn of the century, two-thirds of our total population would be living in just three provinces: Ontario, Alberta and British Columbia; and three quarters of that two thirds -- or roughly half of all Canadians -- would be living in the Montreal, Toronto and Vancouver-centred regions.

If allowed to unfold, these trends would have an immense impact not only on these provinces and cities but also on all of the others. Our largest, most rapidly growing cities would become unmanageable; the others, continuing to lose population, would wither. Regional economic disparities would be accentuated and political power would shift, perhaps to quasi city-states, but most certainly to the dominant provinces, to an even greater extent than today.





Concentration of population in a few large cities, and the uneven growth of others, results in a growing imbalance of population among the provinces. By the turn of the century, Ontario and B.C. would, on present trends, greatly increase their share of the total population. Alberta would gain somewhat. Quebec's share would drop from 28% to 21% and similar drops would occur for Manitoba, Saskatchewan, Nova Scotia and New Brunswick. The rest, P.E.I., Newfoundland and the Yukon and the N.W.T. would retain their current position.

More specifically, by the turn of the century, the percentage of the population held by each province would be something like this:

Ontario would increase to 43.0% compared to 36.0% in 1971;  
B.C. would increase to 14% compared to 10.0% in 1971;  
Alberta would increase to 9% compared to 7.5% in 1971.

The losers would be:

Saskatchewan, down to 1.5% compared to 4.5% in 1971;  
Manitoba, down to 3.5% compared to 4.5% in 1971;  
Quebec, down to 21.5% compared to 28% in 1971;  
New Brunswick down to 2.5% compared to 3% in 1971;  
Nova Scotia down to 3% compared to 4% in 1971.

As I have said, P.E.I., Newfoundland, the Yukon and N.W.T. would retain their current position in relative terms.

I needn't belabour the consequences of these trends. It is clear that they threaten the character of our nation, the very fabric of Confederation as we know it today. Simply preserving the status quo is not necessarily an objective, but when significant changes are possible we must examine the means available to effect them.



Of course, projections are not predictions. They are not "surprise free". They are always subject to the accidents of nature or to as yet unknown technology. Major oil and gas finds off the Atlantic Coast, for example, could have a major impact on the economy of that region as they have had in Alberta. We can adjust to these fortuitous events. We can't plan for them.

More important is the fact I referred to earlier. Our future is not pre-ordained. We do not have to accept the trends, unless we wish to do so. After all, the trends are largely a reflection of past public policies and the ways in which they have been applied. Usually, public policies have been developed in response to the trends, in order to fill immediate needs. Often they have ended up simply reinforcing the trends -- perhaps undesirable trends -- or trends whose time is now past. Within limits, the trends can be shifted by new policies, or by the same policies applied differently.

The federal government has many relevant and powerful instruments at its disposal and it is prepared to deploy these in support of new goals reflecting new values. Immigration policy, economic and tax policies, transportation and industrial policies, as well as regional development policies, can be used to influence regional location and urban settlement patterns. Control over railways and airports, federal lands and buildings and housing policies can be used deliberately to support provincial and metropolitan growth strategies and to improve the quality of the urban environment.





The provinces also have major levers to shape trends and influence growth within their own jurisdictions, as have their municipalities. The co-ordinated use of these instruments by all three levels of government can enable us to achieve jointly agreed upon objectives.

Agreed upon Objectives: that is the first and perhaps most difficult pre-requisite. What objective ought we to pursue together?

There appears to be fairly general agreement that the trends are unacceptable. The residents of two of our three largest centres, Vancouver and my own City of Toronto, are showing signs of resisting rapid, uncontrolled growth. So are the residents of other communities. These people are telling us that they would be happy to see more of the future growth spread around to other regions.

The last National Tri-Level Conference in Edmonton was concerned principally with the management of our future urban growth. All three levels of government agreed on that occasion that the trends should be shifted in favour of a more "regionally balanced pattern of growth." They also agreed to examine ways and means of doing this and they indicated a readiness to co-ordinate selected, relevant policies and programs.

If the pattern of growth being unfolded by the trends is unacceptable, what alternative pattern of growth would be desirable?

Clearly, there needs to be a broad national consensus on the goals



we are to pursue if the policies and programs of the various levels of government are to be mutually supportive.

These matters are fundamental to current federal priorities. Indeed, they are a major focus of my Ministry and a major concern in Cabinet. The Department of Regional Expansion, under my Colleague, Mr. Jamieson, has carried through a review of its policies and a decentralization of its organization to enable it more effectively to deliver programs to the less economically favoured parts of the country. The concern for the rapid disappearance of much of our best agricultural land so often expressed by Mr. Whelan has become a special responsibility of the Minister of the Environment, Madame Sauvé. The impact of our immigration policies has been examined in depth by Mr. Andras and the Ministry of Manpower and Immigration. These matters are all inter-related and related to the question of Canada's urban future for which I have special responsibility.

We face a period of critical choices in this country.

The federal government is now launching consultations with other governments and with the public at large on these choices. Several of them will be major determinants of the future quality of Canadian urban life. The federal government is determined to do its part to ensure that Canadians have the greatest possible opportunity to influence these choices.

What are these choices? Let me mention three:





- What is to be the future size of Canada's population and its rate of growth?
- What is to be the distribution of our future population across Canada and in our urban communities?
- How are we to manage our future urban growth so as to create the kind of cities and communities that we want?

The first choice has to do with the rate of growth and overall size of the Canadian population. We are 22.6 million now. How large do we want to be by 1985 and by the year 2000?

With our birth rate hovering below replacement level, the future growth of our population will be determined largely by immigration. In other words, the rate of growth and the overall size, has become a matter of choice through our policy on immigration.

It is not an easy choice. It is fraught with awkward economic, cultural and, perhaps most difficult, moral questions. But it is a choice we can't avoid. It will be made. With the publication of the Green Paper on Immigration, the Government has initiated an open dialogue on these questions. Parliament has just established a committee to hear views from all parts of Canada. And Mr. Andras will be leading discussions with other governments on the whole issue of demographic policy.

The second choice has to do with the appropriate distribution of our new population -- and consequently of jobs, wealth and



political clout -- across the country. Since about 75% of our population is now urban, and since it seems reasonable, based on trends, to assume that between 85% and 95% of our year 2000 population will be urban, this choice really has to do with the appropriate distribution of our new population in urban centres across the country. This is where most of the new growth will take place.

For example, if we assume that our population grows to 30 million by the year 2000 -- that is if we assume that it grows overall by about 8.4 million or about 40% in 25 years -- and if we assume further that the urban proportion grows from say 75% to say 90%, as would appear likely, -- then our urban population would grow by about 11 million in the same period. In other words, the growth of our urban population would be significantly greater than the growth in our overall population.

Now some will say that 30 million by the year 2000 is a modest figure; others will say that it is too high. What I am saying is that, in arriving at a consensus on this question, we need to bear in mind the consequences of any projected rate of growth for our urban regions.

In this context, we need to look carefully at the destination of immigrants who come to Canada. In doing so, we find that the vast majority of immigrants, like the vast majority of Canadians, seek an urban life. Indeed most of them go to our largest, most rapidly growing centres. At the present time, for example, 34% of all immigrants end up in Toronto; it is the largest single element.





in the growth of our larger cities.

A moment ago, I suggested that there seemed to be an emerging consensus that the trend toward concentration of our population in three or four provinces and two or three large urban regions is unacceptable and that governments at all levels ought to pursue policies that will result in a more regionally-balanced pattern of provincial and urban growth. In order to do this effectively, it is obvious that we will need to look at ways and means to shift a larger part of the immigration flow to our smaller and less-rapidly growing centres. At the same time, we need to look at ways and means to encourage more people to stay in these same centres instead of migrating to larger urban areas.

One means, certainly, that is acceptable in our democratic society, is various types of economic incentives. We have been employing incentives on an increasing scale in Canada to influence the location of economic activity, hence, of population. Most of the federal economic incentive programs that have a conscious geographic bias are found in the Department of Regional Economic Expansion.

There are signs that these programs are beginning to have an effect on our historical interprovincial migration flows. The changes are so recent -- just the last three years -- that I would hardly call them trends, but they should be noted.

Newfoundland continues to have a net loss in population, but out-migration from the rest of the Maritimes is beginning to reverse



itself. New Brunswick had a net gain of 1900 last year. Nova Scotia had a net gain of 1600. And Quebec had a net gain of 7800. The out-migration from Manitoba may also have been reversed -- it had a net gain of 3800 last year. And the out-migration from Saskatchewan is also lessening.

Factors other than economic have no doubt played an important role in this shift: better communications including travel and television, changing values that place more emphasis on the life-styles available in the Maritimes and in other provinces.

Frankly, I don't think that we have begun to exhaust the types of incentives that are available, not only to the federal government, but also to the provincial and municipal governments, to influence the location of economic activity and population. It is important that we look at other types of incentives, because the achievement of so many of our national goals depend upon a more balanced distribution of population and wealth across this country.

One example is the goal of a more equitable distribution of income. Most of us believe in it and our federal and provincial governments have been pursuing it for a long time through a whole array of policies. Recent studies in my Ministry have demonstrated that cities play a vital role in reducing income disparities. We have found that income disparities between cities of a similar size in Canada are much less than the income disparities between the regions in which the cities are located. There is also a general tendency



for average income to rise in cities up to 200,000 in size and then level off in larger urban areas. More studies need to be done of these factors.

Another means of influencing the location of population that is available to governments is to make our smaller and less-rapidly growing centres richer places in which to live. The federal government is committed to this. We are prepared to work with the provinces not only to make it possible to create a strong economic base in these communities but also by planning our activities to help support the development of the social infrastructure that makes for a dynamic and fulfilling community.

The third choice before Canadians has to do with management of our urban regions -- with the size and shape and form and quality of our cities. What kind of cities do we want? Do we want cities with a strong downtown core, full of light during the day and full of life and activity at night? Or do we want to see our commerce and our population scattered around the periphery of our cities while the downtown core withers. Do we want access to our waterfronts, now often cut off by railways -- as here in Winnipeg -- or by a wall of old harbours buildings, as in Toronto. What kind of communities do we want? High, medium or low density? Should we continue to support high rise dwellings or should we look to other forms of high and medium density, more in keeping with the results of social research and, more in keeping with the Canadian climate?





These are important questions that need to be answered. Canadians will continue to transform their cities and build new communities at a rapid rate over the next 10 to 25 years. Indeed, depending on our answer to the first choice -- on the overall size of our population -- Canadians may need to create as much new and re-vitalized urban area in the next 25 years as we have in our entire history.

In my view, however, this third choice concerning the management of our urban regions and their future shape and form is most appropriately dealt with at the provincial and local level. There are obvious constitutional reasons for this. There are other reasons as well. If we want to preserve and enhance the diversity of our communities and the life-styles that they offer, this choice should reflect the differences in the social fabric and cultural attitudes of a Montreal as compared with a Vancouver, or a St. John's as compared with a Regina.

It is vital that this choice be dealt with. The federal government, every year, delivers a wide range of programs -- from housing to harbours to public buildings. In an aggregate sense, they represent a massive influence on the size and shape and form of our cities. These programs can be used in a manner that supports the urban objectives and metropolitan growth plans of our cities. We want and intend to use these programs in such a way that they will have a beneficial impact on the shape and form and quality of Canadian cities.

What emerges is the need for a consensus on a national demographic policy and a Canadian urban strategy. Cabinet has addressed itself to these needs. But we have no intention of imposing any pre-determined position. Mr. Andras, Madame Sauvé and myself, on



behalf of the government, are beginning a process of consultations with the provinces to determine their objectives and views and those of their municipalities. The public discussion on the Green Paper on Immigration will add to this.

Beginning this month, I intend to have a series of meetings with my provincial colleagues on the critical issues of the future rate of Canadian urban growth, its pattern and its management. My consultations with the provinces will be reinforced at the Tri-Level meetings between myself, my federal Colleagues and provincial and municipal leaders.

I propose to involve all provinces and through them their municipalities in this consultation. During the coming months, I am confident that through this dialogue we can evolve an urban strategy for Canada, a strategy to which all governments will lend their support and within which we can co-ordinate our various policies and programs.

I will also take every opportunity to discuss these issues publicly with Canadian non-governmental organizations concerned with the future of our cities. Out of this process, I believe that a consensus on a national demographic policy and a Canadian urban strategy will emerge.

By proceeding in this manner, by achieving a consensus, together we can better influence the type of Canada we want. At the federal level, we can bring all of those levers that now affect us in a fragmented





way, to support national planning, to achieve jointly agreed objectives. Rather than going off in our own separate ways, we can come closer to harnessing the genius of our people, the support of their governments, the natural wealth and beauty with which we have been richly endowed, to develop a nation and a society truly fulfilling its potential.

With this natural wealth, a skilled population, a dynamic private sector, responsive and supportive government exercising imaginative and prudent leadership, we can help make a great nation an even richer nation in the best sense, a creative society in which all Canadians can flourish. Our heritage is a trust, a trust we must nurture with sensitivity and responsibility. We have too much going for us in Canada to do less than our very best.



Notes for a Speech by Pierre DeBané  
Parliamentary Secretary to  
The Honorable Barney Danson  
Minister of State for Urban Affairs  
Manitoba Public Housing Tenant Association  
Annual Seminar  
Winnipeg  
April 5, 1975

Thank you for inviting me to speak to you this evening. I have studied your agenda for the seminar and it seems to me that you must have had a busy few days of worthwhile discussion and debate. The importance of seminars such as this cannot be over-emphasized. Not only are they valuable to those intimately concerned as a sort of clearing house for ideas, viewpoints and problems, but they provide important information to those of us in government who are responsible for policies and planning connected with public housing.

On behalf of the Minister in charge of housing, Barney Danson, I would like to congratulate all of you who were responsible for organizing these valuable sessions.

The objective of the Federal Government is, of course, to make good housing available to all Canadians, at every income level and in all parts of the country. We have no magic wand that can produce instant results, but we are working towards realistic objectives with a series of programs designed to handle the problems in an orderly and systematic way.



We realize that low-income families are usually the hardest-hit in a tight marketplace, and our first concern is to provide an adequate supply of suitable, affordable housing to meet the needs across the country.

The allocation of funds by Central Mortgage and Housing Corporation for low-income programs has steadily increased year by year, and now represents by far the largest part of the total housing budget.

I know that you don't want to hear a recitation of figures and statistics, but I would like to mention that out of CMHC's total capital budget of \$1.04 billion, for housing only, a total of \$1.02 billion is directed towards low-income housing. In addition to this capital budget, expenditures by CMHC in direct subsidies and grants for 1975 are estimated at more than \$276 million, which is an increase of more than 92 per cent over the amount forecast for last year.

I don't mention these huge sums in order to impress you, but only to underline the tremendous extent of the need that continues to exist for federal action in providing good housing to all Canadians.

We believe, as I'm sure you do, that good housing is fundamental to a sound and healthy society. But it is not enough for governments at all three levels simply to provide



access to shelter, because people live in communities, not just houses, and these communities should support social, economic and cultural development.

There was a time when the concept of public housing was largely the provision of unimaginative dwellings set in the core of cities and towns with the hope that the project would somehow blend into the landscape.

This, I am happy to say, is not our concept now. We are thinking in terms of integration rather than isolation and there will be a greater emphasis on social requirements in order to achieve a balanced community with all the normal amenities and facilities.

In some communities, there is from time to time opposition to the introduction of public housing into existing residential areas but these barriers have become less common as people realize that public housing can be sensitively planned as an integral part of the area.

Federal assistance in housing takes many forms because of the wide variety of options that CMHC is opening up. What we refer to as "public housing" is by no means the only form of assisted housing, as you know.

In fact, the policy of the Federal Government, through various policies and amendments to the National Housing Act, is to encourage low and moderate-income families

to move towards home ownership or different types of rental accommodation through contributions in these directions.

For example, the Cabinet recently established a policy of allowing rent contributions from CMHC for as much as 25 per cent of the units in any designated non-profit or co-operative housing project. This means that many low-income families can move into a different type of rental accommodation under an arrangement that would maintain the current rental scale.

The intention of all non-profit and co-operative housing is, of course, to produce rental accommodation that families of low and moderate means can afford. Lately, however, land costs in many areas have made it difficult to produce non-profit housing that can be rented at rates people can afford.

A recent amendment to the Act will change that by allowing CMHC to buy the land on which non-profit projects will be built and then to lease it back to the non-profit corporations. In this way, building costs and rents will be kept at a minimum.

Another amendment that provides a further option to low and moderate-income families is intended to make more privately-built multiple-unit accommodation available at reasonable costs. Under this amendment, CMHC makes interest-reducing grants available to builders of rental accommodation who arrange an NHA-insured loan with an approved lender, with

the stipulation that the builder enter an agreement with CMHC to maintain rents at an approved level for at least five and up to fifteen years. The grant, in effect, bridges the gap between the rate of interest the builder has to pay the lender and the rate at which he can provide rental units at a moderate price.

This program takes into account the upward mobility of many low-income families -- families who are now living in public housing but who will sooner or later have the financial means to seek optional accommodation. This applies even more to the Assisted Home Ownership Program, better known as AHOP, which is probably the most popular single home-ownership program ever devised by CMHC.

The objective of the program is to enable families to own a moderately-priced home without spending more than a reasonable proportion of their income -- about 25 per cent -- in mortgage payments and municipal taxes.

Under AHOP, CMHC makes direct loans to qualified families and, depending on family income, may reduce interest rates to keep mortgage payments within a family's ability to pay. When necessary, additional assistance can be made through contributions from CMHC of up to \$600 a year. In Manitoba, there are further generous grants from the provincial government. This program has already made home-owners of many thousands of families who qualify and who prefer that arrangement to rented premises.

Another recent housing measure provides a \$500 grant to first-time purchasers of new, moderately-priced houses. To be eligible for the grant, the home must be within price limits set by CMHC in each market area and must be occupied by October 31 of this year. The grant can be used as part of the down payment required or for the purchase of furniture or appliances, or in any other way that the home-buyer feels will give him the greatest help.

Programs such as these are designed to provide a wider range of housing for low and moderate-income families. They obviously can not replace public housing. They do, however, give many families more options in their choice of a home, as their economic circumstances change.

Public housing will always be a useful solution to peoples' housing needs -- at least for the foreseeable future -- but this does not mean that it can not change in form, design and administration. Even the best of programs must be adjusted at times to adapt to social change or to accommodate new and challenging ideas.

With this in mind, we are currently taking a close look at the entire public housing program with a view to making changes that are appropriate.

For example, the rent-to-income scale, established five years ago, is continuously under review to ensure that it remains realistic. We want to be sure, for one thing, that our regulations are reasonable and will allow us to respond



sensitively to people's needs and their changing circumstances.

We are asking a number of questions regarding the structure of public housing programs, for we do not wish to become complacent and assume that we have arrived at all the right answers.

I feel strongly that the tenants of public housing should have a part in decisions that affect their lives. Your voice must be heard, because it is your social well-being that is our primary consideration.

This awareness moved the Federal Government to set the stage for and then fund the founding convention of the National Association of Public Housing Tenants, as well as to provide further continuing assistance. By means of the national and the many local tenants' associations, we can learn what we are doing right and, more important, what we may be doing wrong in our efforts to provide decent community living through public housing programs. Your workshop sessions during this conference show beyond doubt that you are taking very seriously your responsibilities in representing the public housing tenants in Southern Manitoba, and I congratulate you on the scope of your discussions.

You can be assured that CMHC and the Federal Government will consider very seriously any proposals, ideas, criticisms and suggestions that arise from your discussions.

We look to you to help us in ensuring that the



provision of public housing and other options represents a modern, innovative and effective approach to this aspect of Canada's over-all housing program.

I could not properly conclude my remarks without paying sincere tribute to the Government of Manitoba, MHRC, the City of Winnipeg and the Regional Housing Authority for their vital contributions to the betterment of public housing here. As all of you know, providing good housing is an enormous undertaking that requires the close co-operation of provincial, municipal and federal levels of government. None of us could do the job alone. Together, I think we have accomplished much, and I know we will accomplish much more, because all of us in government are in full agreement that access to good housing at all income levels is not a privilege, but a basic social right.





Notes for a Speech by Pierre DeBanó  
Parliamentary Secretary to  
The Honorable Barney Danson  
Minister of State for Urban Affairs  
to  
the Atlantic Building Supply Dealers,  
Moncton,  
April 10, 1975

I was genuinely pleased to receive the invitation to speak to you today, because the need to maintain a strong building industry in the Atlantic provinces is a matter of concern to the Government of Canada as well as to yourselves.

As all of you are well aware, housing starts across the country were considerably down last year, dropping from a record 268,000-plus in 1973 to just over 222,000, due to adverse economic conditions prevailing in Canada and around the world. In the Atlantic provinces, starts during 1974 totalled slightly more than 18,000, compared with almost 22,000 in the previous year. Among the Atlantic provinces, only Newfoundland had slightly more housing starts last year than the year before. The only other Canadian province to show a marginal increase was Saskatchewan.

The housing picture across Canada, then, was cause for deep concern last year, and the Federal Government can not and will not stand idly by and allow housing construction to decline to unacceptable levels.

A careful study of Canada's continuing housing needs reveals that a minimum of 210,000 starts will be necessary this year just to hold our own, without building a surplus. This is the minimum that Barney Danson, the Federal Minister responsible for housing, has specified, and we are hoping to surpass that figure through the effective application of a number of programs administered by Central Mortgage and Housing Corporation.

There is every reason for confidence that the housing industry will be rejuvenated during 1975. The decline in mortgage rates is an important positive factor, which is perhaps already reflected in a noticeable increase in house-buying activity. But there are three other principal reasons for optimism. These are the measures taken last fall by the Minister of Finance, John Turner, to assist the housing industry, and which are just now taking effect; the increasing response to programs introduced last year by CMHC; and certain forward-looking amendments to the National Housing Act passed into law before the Easter recess.

You are all undoubtedly familiar with the relevant provisions of Mr. Turner's budget, such as the elimination of sales tax on construction equipment and the reduction of the tax on building materials, so I won't dwell at length on them.



It is too early yet to assess the full impact of budgetary provisions on the building industry, but they can't help but have a salutary effect.

Beginning last fall, the Federal Government encouraged home buying by offering a \$500 grant to first-time purchasers of new, moderately-priced homes. The grant can be used as part of the down payment, for furnishings or moving expenses, or for any other purpose of immediate importance to the home-buyer. This has proved to be a popular measure, and by the end of February, CMHC had sent out well over \$3 million in cheques to new home-buyers.

One of the most effective programs ever introduced by CMHC is the Assisted Home Ownership Program, known as AHOP. Under the provisions of this program, qualified home-buyers can borrow directly from CMHC at interest rates that may be adjusted downward to keep monthly payments within a family's ability to pay. When necessary, additional assistance can be provided through contributions from CMHC of up to \$600 a year. All the Atlantic provinces supplement this assistance either through interest-reducing payments or lump contributions.

AHOP met with tremendous success last year. It provided \$450 million in loans to some 20,000 families who, in most cases, would not have been able to become home-owners. About \$30 million in AHOP funds were spent for families in the Atlantic provinces.

The success of AHOP produced a demand for more funds than the government expected and it became evident that the program could be augmented to great advantage by the infusion of private capital.

This led to an extension to the program which was included in the amendments to the NHA recently adopted by Parliament. Through what is now called "private AHOP", CMHC can provide up to \$600 a year in interest-reducing grants to qualified buyers of new homes who obtain a loan from an approved lender rather than CMHC. By this extension to the program, a wider range of Canadian families will be enabled to become home-owners.

One of the most serious current housing problems in Canada is the severe shortage of rental accommodation in many urban areas. Although the restoring of capital cost allowances for investment in rental accommodation did encourage more builders to enter this field, further inducement was obviously necessary to obtain enough quick-starts to significantly ease the rental shortage.

To provide this inducement, CMHC last year set aside \$58 million for loans at the attractive rate of 8 per cent to builders who would provide rental accommodation in designated areas where rental vacancies were extremely low. The available funds were taken up very quickly and it was obvious that the program was unusually attractive to builders.

As a result of this response, CMHC has repeated the program this year with an increased budget of \$200 million. Two multi-unit rental projects financed under last year's program are about to get underway in Nova Scotia. For this year a total of \$24.3 million of the \$200 million has been allocated to the Atlantic provinces. Under the terms of this program, rents will be agreed upon between CMHC and the owner of the project.

Further encouragement for rental construction was contained in the recent NHA amendments. CMHC can now make interest-reducing grants available to builders or owners who arrange through an approved lender for the funds to build rental accommodation. The purpose of the grant is to bridge the gap between the interest rate the builder is required to pay and the rate at which he can produce accommodation at moderate rent levels. The grant is made with the stipulation that the entrepreneur will enter an agreement with CMHC to maintain rents at an acceptable level for at least five and up to 15 years. Once approved by CMHC, a project must get underway within 90 days of the loan commitment in order to stimulate quick rental starts.

One of the most consistent problems affecting the provision of housing is the shortage of serviced land. A recent amendment to the Act will, for the first time, provide assistance to communities for the installation of storm trunk sewers that are required to open up new residential development.

Last year CMHC allocated more than \$15 million for land assembly and servicing in the Atlantic provinces. This year the funds for this purpose have been increased to \$25 million to meet the growing need for federal assistance in residential land development.

The NHA amendments and existing CMHC programs provide other forms of encouragement to residential building, but those I have described will, I think, be of most interest to this audience. The objective of all our efforts in these areas is to contribute significantly to a revitalized housing market, which will, in turn, provide stimulus to the whole economy.

I realize that a continuing problem for building supply dealers in the Atlantic provinces has been a shortage of warehousing, and I am pleased to learn that this problem has been eased to a large extent by larger dealers who can make ample stock available. The setting up of manufacturing facilities here on the East Coast for particle board and other building components has undoubtedly also contributed substantially to solving the warehousing problem.

Although the Atlantic provinces face many of the same problems in the housing field as the rest of Canada, it appears at this time that New Brunswick will be one of the few provinces likely to maintain residential housing starts at about the same level as last year. The current construction boom in St. John is, of course, largely responsible for this, but favorable signs are evident here in Moncton and in Fredericton as well.



I am optimistic that the housing market across Canada is returning gradually to normal. Interest rates are down, prices in the "hot" markets such as Halifax, Toronto and Vancouver have stabilized and, in some cases, have dropped noticeably, and home-buyers are now shopping with less haste and more discrimination.

It is the responsibility of the Federal Government, through carefully designed housing policies and programs, to support a stable, orderly and competitive marketplace. The measures I have described today are already showing effects, and I believe that their full impact will become apparent within the next two or three months. The emphasis will be away from large and expensive houses towards the low and medium-price ranges.

But the Federal Government, in co-operation with the provinces, cannot solve all the problems. We can help to create favorable market conditions, but private industry must take the initiative in providing the right kind of housing, at the right prices and in the right places in order to satisfy the housing needs of Canadians.

Industry and government each has its unique and vital contribution to make, and on past performance, there is no doubt in my mind that the problems currently besetting the housing market will be solved by the combined initiative and



enterprise of the public and private sectors. This remarkable partnership in the post-war years has made Canadians among the best-housed people in the world.

I have every confidence that government and private industry will continue to produce the results to keep this record intact.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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Notes for an address  
to the joint meeting of the  
Royal Commonwealth Society  
and the Human Ecology Council  
London, England

April 11, 1975





Mr. Chairman, Ladies and Gentlemen,

I am very pleased to be here today to address this joint meeting of the Royal Commonwealth Society and the Human Ecology Council.

Canadians, as you know, have always felt a deep affinity for the Commonwealth and for London, the heart of the center of the Commonwealth. I think that each one of us who visits London feels somehow renewed. So much of our history is embodied in this city that Canadians can never really be strangers to it. It is, and always will retain, a very special place in our lives.

My own personal ties with London are deep and permanent, having spent several years here as a young soldier and having married one of the natives. My ties with the Commonwealth were expanded as a participant in the Commonwealth Conference in Spore in 1971 which I attended with our Prime Minister and his Parliamentary Secretary.



All of us here today are aware too that there is a broader dimension to our relationship with the Commonwealth. Those of you who are here today, perhaps more than anyone else, see the past successes and the future potential of the Commonwealth relationship. I do not think that there is any doubt that the Commonwealth has been a success in many areas but it has been an outstanding success in the area of encouraging productive and meaningful relationships between countries of widely divergent societies and cultures. Even the severe strains which were apparent in Spore were resolved largely because of our joint determination to ensure that the forces that bind us together prevailed, rather than the genuine differences in views which inevitably arise from our different perspectives on some matters. The Commonwealth has proved that effective relationships founded on very broadly defined goals can be lasting and, in this respect, it is a model for others to follow.

The world is in need of models of this kind. We are now in the midst of one of the most challenging and difficult periods in the history of mankind. The decisions we make in the next few years may be crucial to our survival as a world community and as individual nations. If one were to list the "critical issues of mankind" for the balance of this century, several would come immediately to mind: the population explosion; the food problem; energy supply and distribution; resource limits; environmental pollution. All of these issues, you will

recall, have been the subject of special and urgent meetings over the past few years -- meetings within nations; meetings at the regional level in Europe, the Americas, Asia and Africa, and meetings at the global level through the United Nations. We had the Stockholm Conference on the Human Environment in 1972; the Bucharest Conference on Population in 1974; the recent Food Conference in Rome; and then, the special conferences on energy and resources.

There is one critical issue that provides a link between all of these and a vital (if partial) key to their resolution. That issue is human settlements: the shape and form and quality of our human settlements, but, most especially, the accelerating rate of urbanization and the concentration of population into a small number of very large metropolitan and megalopolitan regions.

This issue, which is in so many ways a hinge for all of the others, is to be dealt with at a special UN Conference on human settlements in June 1976. We in Canada are privileged to be hosting "Habitat", as it is called, in the city of Vancouver.

Preparations for Habitat are well underway within the UN under the guidance of a preparatory Committee of 56 nations. National preparations have also been launched in dozens of countries around the world. During the past week I have been discussing Habitat and many questions that relate to Habitat with my counterparts in the Netherlands, Sweden and here in the United Kingdom. As the minister responsible in the host

country, I am greatly heartened by the work that is underway. Mr. Crosland, your minister of the Environment, and I, have this morning signed a bilateral agreement under which we will continue to exchange views on our preparations for Habitat and on a whole range of related issues of mutual concern such as urban and regional policy; housing; transportation and new communities.

At Habitat, the nations of the world will consider and, hopefully, adopt and undertake a wide range of needed international and national actions on the global problems of human settlements. This is urgently required. The changes occurring in our cities and towns and throughout our rural areas are happening at such a rate that we often don't perceive their aggregate effect; within only twenty-five years, the terms of reference and, in many ways, the character and prospects of the human community will have changed fundamentally. Man will be living for the first time on a predominantly urban planet. If our demographic projections prove correct, three and a half billion of the world's citizens -- out of a likely six and a half billion -- will be in settlements of more than 20,000 people by the turn of the century. These settlements will be growing at twice the overall rate of population growth. The cities of over 2 to 3 million may well be growing twice as fast again. The dimensions of such growth are astounding. It means building as much man-made environment in 25 years as we have in the entire history of man.



Rich, developed countries in North America and Europe may be able to cope with a doubling of their urban environment in 25 years. We in fact, probably have the resources -- financial and technical -- to transform this rapid change into an unparalleled opportunity -- an opportunity to create communities that are more conserving of energy and other resources, that are more harmonious with the natural environment, that are more human in scale and thus more livable. If we are to transform this from a crisis to an opportunity, however, we must institute measures that will enable us to manage this growth and change. Canada and other developed countries will need to develop and apply a whole range of new approaches in urban policy and institutions as much as in urban technology.

But what of the developing world? The vast majority of mankind's new settlements will not be in the rich, settled societies. They will be in poorer, still developing lands where the resources necessary to deal with growth are tragically inadequate. When their urbanization trends are seen in the context of their population problem, their poverty, their food and energy problems, they assume the proportions of an exploding crisis. In the cities of the developing world the old environmental evils of poor water, absence of sewage and spreading slums, are coupled with modern evils of smog and fumes and chemical pollution. These cities, spreading and deteriorating

over another two decades, offer us the tragic prospect of providing the very worst environment in which human beings have ever been reared.

This is a crisis from which we in the rich, developed world cannot escape. Our Prime Minister, Mr. Trudeau, referred to this recently on March 13, in a speech at Mansion House. Referring to the old protective barriers between nations, he said: "Today those barriers are gone. There are no bulwarks behind which we can retreat in order to stave off or avoid calamity from abroad. And if there are any who believe otherwise, they are fools. Nations which are told that they can exist and flourish independent of the world are being misinformed. We are on this earth. Each has the power to injure all others. Each of us must assume the responsibility that that implies." In this crisis, the developed world has no choice but to respond. The question is not whether, but how quickly. Given these trends, and the needs they imply, it should not be surprising that the United Nations -- at two meetings of the Governing Council on the Environment and at three meetings of the General Assembly since Stockholm -- has stated that the environment problem of greatest concern to most of the nations and most of the peoples of the world is the environment of their cities and towns and villages, of their dwellings and work places -- in other words, of man's own Habitat.



Work that was done for Stockholm -- and since Stockholm -- has demonstrated clearly that the key to the problem of resource conservation -- and also the key to the problem of overloading the natural environment with waste -- will have to be found largely in the better design and wiser management of our human settlements. Monitoring our atmosphere and oceans, our fish and wildlife, will tell us how rapidly we are degrading our environment. In order to stop degrading our environment, however -- as you have demonstrated so dramatically here in London and with the River Thames -- we must attack the sources of the wastes. Increasingly these are to be found in the economic activity and life style of our settlements. The same is true of energy consumption, resource conservation and even food supply. Let us use energy and resources, as an example. We in Canada -- and most countries of the developed world -- have designed our cities and towns on the assumption that the energy and other resources needed to sustain them are and will remain unlimited in quantity and cheap in price. Look at our recent urban systems: isolated rather than community heating systems. High rise towers: sealed; air conditioned; with complex vertical transportation systems; our urban systems are highly consumptive of energy and other resources and they generate an increasing volume of waste that imposes an intolerable burden on the land and on our common atmosphere and oceans.

We don't need to continue to build such systems. With present technology, we can design urban systems that are far less wasteful of energy and resources without reducing either our standard of living or the amenities that we enjoy. We can also significantly reduce the social problems and the alienation that is increasingly characteristic of our societies. In short, we can find a new synthesis between man's continuing desire for betterment and the constraints of a finite world with finite resources.

This will require a many-faceted approach. It will require new policy and institutional approaches to the management of urbanization and to the planning of future communities. More importantly, it will require that we identify and apply the best of the available approaches in a cooperative and coordinated way. There are many approaches around the world, that have been found successful and that are more or less transferable by and to other countries. We need to know more about the successes, and the failures of one another so that we can better deal with our own problems. Habitat, and the preparations for Habitat, are intended to provide this opportunity.

Western Europe -- and especially you in the United Kingdom -- have pioneered many of the more successful approaches to urbanization. Your regional planning and development policies, your new towns, your public transportation are examples of this.

During the past week I have been discussing these and other approaches with European ministers and officials and I have seen examples of where and how they have been applied. I have been impressed both by the similarity of our problems and by the relevance to Canada of so many of the approaches that have been tried.

This is of immediate interest to us in Canada. We are in the process of re-examining Canadian urban trends and the types of policies and programs needed to shape these trends.

Our urbanization trends are not too different from those of Western Europe, the USA and other developed countries. In brief, we face a period of extremely rapid urbanization, perhaps a doubling of our total urban environment in less than 25 years. We are disturbed by this projected pace of urbanization because we feel that it could overwhelm the capacity of our institutions to plan for it and absorb it in a manner that would produce a liveable and high quality urban environment. We are perhaps even more disturbed by the projected distribution of this urban growth. If the trends are allowed to unfold, Canada faces a future that is not only predominantly urban but also one in which the overwhelming majority of Canadians will be concentrated in a small number of very large urban regions. Indeed, by the turn of the century, two-thirds of our total population would be living in just three provinces: Ontario, Alberta and British Columbia; and three-quarters of that two-thirds -- or roughly half of all Canadians -- would be living in the Montreal, Toronto and Vancouver-centred regions.



If allowed to unfold, these trends would have an immense impact not only on these provinces and cities but also on all of the others. Our largest, most rapidly growing cities would become unmanageable; the others, continuing to lose population, would wither, regional economic disparities would be accentuated and political power would shift, perhaps to quasi city-states, but most certainly to the dominant provinces, to an even greater extent than today.

The Government of Canada, the governments of all our provinces and most of our cities have agreed that these trends are unacceptable. We have also agreed that we must cooperate in the development and application of policies to shift these trends toward more desirable objectives. Just before leaving Canada, I launched a process of intergovernmental and public consultation on a national urban strategy. Together we are looking at the objectives we want to pursue and at the types of policies and programs needed to achieve these objectives.

Basically, and briefly, we are looking at a strategy that embraces objectives and policies in three interrelated areas: first, the future size of Canada's population and its rate of growth; second, the distribution of our future population across Canada and in our urban communities; third, the management of our future urban growth so as to create the kind of cities and communities that we want. These are difficult policy areas and effective responses in them will not be easy to provide. But they will be provided, implicitly if not

explicitly. Given our federal system, it is desirable, if not necessary, that they be provided explicitly.

In Canada we are asking ourselves: if the patterns of growth being unfolded by the trends are unacceptable, what alternative patterns of growth would be desirable? What public spheres can best be used to achieve them? And what public policies can best be used to create communities that are livable, human in scale and in harmony with the natural environment? The responses to these questions cannot be imposed by any level of government. It is essential to achieve a broad national consensus on the objectives we are to pursue. Once we have that consensus, we will need to determine the best means available compatible with our value system and our democratic form of government.

Canada is not unique in asking these questions nor in searching for appropriate responses to them. That is evident from the five tentative themes for Habitat adopted by the UN preparatory committee in January. The first of these, in fact, is "policies and development." The second is "the social and economic aspects of settlements." The third is "the planning and management of settlements." The fourth is "the design and construction of shelter and services." And the fifth is "human settlements and the natural environment."

Virtually every member country of the UN faces the problem of rapid urbanization and the need to manage urban growth. When it comes to means, we have a great deal to learn from one another. We in Canada are especially interested in the experience



of Western Europe and the Commonwealth, with many of whom we share value systems and forms of government.

Each country, of course, has to develop its own response to urbanization and its own means to manage urban growth. The scope for international action on the problems of human settlements is limited. The really vital actions needed to solve these problems must be undertaken by countries themselves. This is as true for developing countries as it is for developed countries.

That is why, in the preparations for Habitat, nations have agreed to spend a great deal of time and effort in identifying approaches to human settlements problems that have been applied in one country or region and that may have elements that are transferable to other countries or regions.

I believe that through this kind of exchange, people and nations and governments will see that human settlements problems are capable of solutions -- that solutions are indeed available if we have the common will and wit to apply them -- that we don't need to shirk from addressing these problems.

Although the scope for international action on human settlements is limited, that which can be taken is vitally important. Between now and June 1976 countries will be working separately and together on the development of recommendations for international action. The Government of Canada has no firm view on the question yet and, of course, will not adopt one until the end of the preparatory process when we have had the benefit of advice from other governments, non-governmental bodies and private

citizens. But we do have some preliminary views that I would like to expose.

In my view, at this stage, Habitat should make a significant advance in at least four areas.

First, Habitat should have a number of important program results. These could include, perhaps, a decision to have an on-going UN human settlements demonstration program. If a concrete program for the exchange of information and ideas on human settlements were established, it would be of tremendous benefit not only to those nations where urban problems are of the greatest concern, but also to Canada, the United Kingdom and other developed nations.

Another area where Habitat should have important results is in education and research. These, perhaps, could include a decision to strengthen and establish a number of regional urban management training institutes. There is an acknowledged need to better the competence of urban management throughout the world both in the developed and developing nations. And I think it is essential to the future of human settlements that nations develop and train leaders and officials who can grapple with the task of managing the huge cities that are an inevitable part of our future.

Another result was called for when the General Assembly launched Habitat. The Assembly requested that the conference should have a "financial" and "institutional" result. Canada recognizes that this is very important. We also recognize

that any recommendations in this area, to be meaningful, will require the most careful consideration and must carry the broadest possible measure of support from governments.

Finally, I would like to see Habitat adopt a firm declaration of principles with three basic characteristics. It should recognize the fact that human settlement is one of the critical issues of mankind. Secondly, it must recognize the diversity and complexity of human settlements and it should identify the main areas of action as well as the political and scientific resources that need to be marshalled. Thirdly, it should represent a commitment by governments to tackle human settlements issues with the resources and urgency that are required.

I realize that this is a tall order. But this is what Habitat is all about, and in developing and refining such a declaration of principles, it seems inevitable that our understanding of human settlements issues, and the commitment by our governments to their resolution, will be strengthened. And this will benefit all nations.

The challenge is immense, but it will not disappear. Indeed it will intensify and demand the most thoughtful, cohesive and energetic applications of our diverse and disparate resources. Habitat presents a unique and timely opportunity to harness the genius of man to meet this challenge.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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## Notes for Remarks

to the National Joint Conference of the  
American Society of Planning Officials  
and the Community Planning Association of Canada  
Vancouver, British Columbia  
Tuesday, April 15, 1975







Ladies and Gentlemen:

I am very pleased to be here today. It is a special privilege to address this distinguished joint meeting of the Community Planning Association of Canada and the American Society of Planning Officials: organizations whose members have contributed so much to the quality of life not just on this continent but throughout the world.

As professional planners, you are engaged in what is surely one of the most tangibly rewarding pursuits today. You have a voice - and more than that, an enormous influence - on the shape of the modern world. You are optimists inspired by great ideals and tempered by hard experience. You have to be. You must plan not only for what seems desirable and possible today but what will be both desirable and necessary in the future if we are to preserve and improve our quality of life.

You are the natural allies of political leaders who want to improve our cities and towns through far sighted policies. There is nothing so attractive to a politician and a government as an idea whose benefits are obvious, whose feasibility has been demonstrated in practical terms and which responds to public concerns.

Many of you have generated such ideas. Indeed, many of you have greatly influenced and shaped world thinking through your urban plans and designs and through your outspoken points of view. Many of you have been instrumental in creating an

awareness and understanding of the great issues that bring you together this week and that provide the theme for your Conference: "Sharing space from neighbourhood to continent".

That theme also captures the spirit of "Habitat: the United Nations Conference on Human Settlements" that will be held in Vancouver in June of next year. It is because of this - and because of your vital interest in and demonstrated commitment to the problems of human settlements - that I thought it would be appropriate to talk to you about Habitat today.

I would like to describe how Habitat can be an effective response to the global crisis in human settlements.

You will be interested, I am sure, in hearing about preparations that are now underway.

I am going to take this occasion to announce the first group of Canadian Urban Demonstration Projects.

And, finally I would like to urge all of you to become involved in the preparatory process and suggest, to the Canadian Delegates at least, how such involvement is possible.

The theme for your Conference, "Sharing space from neighbourhood to continent," as it does not specify any one continent I take it that it asserts the interdependence of all people and the communities in which they live. It asserts your conviction that the problems of human settlements are not limited by national or other political boundaries. Instead, they are world wide.

It was this same conviction that led the United Nations to decide to hold a special Conference on Human Settlements. Habitat could well be one of the most significant Conferences that the United Nations has ever held - addressed, as it is, to the need for practical solutions to one of the most compelling and pressing problems facing the human community. And it is particularly appropriate that the Conference should be held in this city where a dynamic people have an opportunity to demonstrate to the world the wise and creative development of one of the finest natural environments with which any city has been blessed.

Many of you who were there will recall the factors that prompted the Stockholm Conference to recommend that the United Nations should hold a special Conference on Human Settlements. In the preparatory work for Stockholm, it became clear that human settlements is one of the half-dozen "critical issues of mankind" for the balance of this century along with population, food, energy, resource limits and the natural environment. Moreover, human settlements and urbanization are inextricably linked to each of these other critical issues. The need to give priority attention to human settlements was confirmed by Stockholm, and has since been endorsed by three meetings of the United Nations General Assembly, by two meetings of the Governing Council on the Environment and by meetings of many other bodies, international and national, governmental and non-governmental.

The primary purposes of Habitat, and of the preparations for Habitat, can be stated very simply.

The first purpose is to make it possible for the nations of the world to address the most important human settlements issues of concern to both the industrialized and the less industrialized nations. These issues are essentially economic, social and political, not technical.

Second, with the integral support of its unique audio-visual presentations, the Conference should assist nations to identify and focus attention on the available solutions, or at least most effective responses, to these problems - at the national, regional and international levels. In the process, it should stimulate innovation and allow for the exchange of experience and ideas as well as technology of all kinds - sophisticated, intermediate and simple.

Third, and most important, Mr. Chairman, the Nations represented at the Conference should address, debate and adopt a number of recommendations for action - action at both the international and national levels.

The need for a Conference of Nations to consider action on the global problems of human settlements can hardly be overestimated. Change is occurring in our cities and towns with such velocity that we sometimes do not perceive its aggregate impact. It is easy to be overwhelmed by its proportions. Within 25 years the terms of reference and, in many ways, the character of the



human environment will have changed. Man will be living for the first time on a predominantly urban planet. If our demographic projections prove correct, three and a half billion of the world's citizens - out of a likely six and a half billion - will be in settlements of more than 20,000 people in the year 2000. These settlements will be growing at twice the overall rate of population growth. The cities of over 2 to 3 million may well be growing twice as fast again. The dimensions of such growth are astounding. It means building as much man-made environment in 25 years as we have in the entire history of man.

Rich, developed countries like Canada and the U.S.A. may be able to cope with a doubling of their urban environment in 25 years. In fact, we probably have the resources - financial and technical - to transform this rapid change into an unparalleled opportunity to create communities that are more conserving of energy and other resources, that are more harmonious with the natural environment, that are more human in scale and, in short, that are more livable, with a vastly improved quality of life. If developed countries are to transform this accelerating change from crisis to an opportunity, however, they will need to institute measures quickly - measures that will enable them effectively to manage this growth and change. Canada and other developed countries will need to develop and apply a whole range of new approaches in urban policy and institutions as much as in urban technology.



I have just returned from discussing these matters with my counterparts in Holland, Sweden and the United Kingdom. We have much in common as we face this period of accelerating urban change. It is clear to me that developed countries have much to gain from the sharing of experience and knowledge made possible by Habitat.

But what of the developing world? The vast majority of mankind's new settlements will not be in the rich, settled societies. Instead, they will be in the poorer, still developing lands where the resources necessary to deal with growth are grossly inadequate. When their urbanization trends are seen in the context of their population problem, their poverty, their food and energy problems, they assume the proportions of an exploding crisis. In the cities of the developing world the old environmental evils of poor water, absence of sewage and spreading slums, are coupled with modern evils of smog and fumes and chemical pollution. These cities, spreading and deteriorating over another two decades, offer us the tragic prospect of providing the very worst environment in which human beings have ever been brought up.

This is a crisis from which we in the rich, developed world cannot escape. Our Prime Minister, Mr. Trudeau, referred to this recently on March 13, in a speech at Mansion House in London. Referring to the old protective barriers between nations, he said "Today those barriers are gone. There are no bulwarks behind which we can retreat in order to stave off or avoid calamity

from abroad. And if there are any who believe otherwise, they are fools. Nations which are told that they can exist and flourish independent of the world are being misinformed. We are one on this earth. Each has the power to injure all others. Each of us must assume the responsibility that that implies."

Human settlement, of course, is only one of the global crises to which the Prime Minister referred. Moreover, the scope for international action on the problems of human settlement is limited. The really vital actions needed to solve these problems must be undertaken by each country itself. This is as true for developing countries as it is for developed countries.

The fields of environmental pollution and trade are quite different. They are characterized by problems that can only be attacked on an international basis. If we want to attack pollution in the Great Lakes or in the Mediterranean, we need an international agreement on standards and on how to implement and enforce them. Similarly, if we want to reduce trade barriers, we need international agreements. But human settlements problems are not like that. If we want to deal with the problems of rapid urban growth, or squatter settlements, or the lack of social and economic opportunity in small towns and rural areas, we must do so primarily as nations. In fact, in Canada, and in other federal states, many of these matters can be dealt with only at the provincial and municipal level.

That is why, in the preparations for Habitat, nations have agreed to spend a great deal of time and effort in selecting solutions or approaches to human settlements problems that have been applied in one country or region and that may have elements that are transferable to other countries or regions. Approaches, for example, to common problems, such as: the use of public policies to manage growth - policies such as financial incentives and disincentives, new towns, and others

- new methods of housing design construction and development
- the development of low energy urban systems
- new methods of waste-water recycling
- new experiments in metropolitan government - such as we have had in Toronto and Winnipeg
- the use of intermediate technologies for urban transportation.

Each member country of the United Nations has been asked to identify and nominate up to three problems in which their approaches have been relatively successful or in which their experience may be of interest and help to other countries. On selection by the United Nations, countries will prepare an audio-visual presentation of the problem and of their approach to it. This presentation will form an integral part of the conference deliberations in Vancouver.

I believe that through this kind of exchange, people and nations and governments will see that human settlements problems are capable of solution - that solutions are indeed available if we have the common will and wit to apply them - and we do not need to shirk from addressing these problems.

Although, as I have said, the space for international action on human settlements is limited, that which can be taken is vitally important. Between now and June 1976, countries will be working separately and together on the development of recommendations for international action. The Government of Canada has no firm view on this question yet and, of course, will not adopt one until the end of the preparatory process when we have had the benefit of advice from other governments and from non-governmental bodies and private citizens. But we do have some preliminary views that I would like to advance.

In my view, at this stage, Habitat should make a significant advance in at least four areas.

First, Habitat should have a number of important program results. These could include, perhaps, a decision to have an on-going United Nations Human Settlements Demonstration Program. If a concrete program for the exchange of information and ideas of human settlements were established, it would be of tremendous benefit not only to Canada and other developed nations but also to those nations where urban problems are of the greatest concern.



Another area where Habitat should have important results is in education and research. These, could include a decision to strengthen and establish a number of regional urban management training institutes. There is an acknowledged need to improve the competence of urban management throughout the world both in the developed and developing nations. And I think it is essential to the future of human settlements that nations develop and train leaders and officials who can grapple with the task of managing the huge metropolitan and megalopolitan regions that are an inevitable part of our future.

Another result was called for when the General Assembly launched Habitat. The Assembly requested that the Conference should have a "financial" and an "institutional" result. It is very important that any recommendations in this area, to be meaningful, will require the most careful consideration and must carry the broadest possible measure of support from governments.

Finally, I would like to see Habitat adopt a firm declaration of principles with three basic characteristics. It should recognize the fact that human settlements is one of the crucial issues of mankind. Secondly, it must recognize the diversity and complexity of human settlements and it should identify the main areas of possible action as well as the political and scientific resources that need to be marshalled. Thirdly, it should represent a commitment by governments to tackle human settlement issues with the resources and urgency that are required.



I realize that this is a tall order. But this is what Habitat is all about, and in developing and refining such a declaration of principles, it seems inevitable that our understanding of human settlements issues, and the commitments by our governments to their resolution, will be strengthened to the benefit of all nations.

The Habitat Conference will be a major international political event extending over a period of two weeks. The success of this event is being determined now through a very complex preparatory process.

The international preparations are in full swing under the able direction of Secretary General Enrique Penalosa and his staff in New York. They are being guided by a preparatory committee made up of representatives of 56 nations. This committee had its first highly successful meeting in January. It tentatively approved the themes of the Conference and it adopted a very tight schedule of events that take us up to May 31 next year, the day the Conference opens.

As host for the Conference, as well as an active participant, Canada is deeply involved in its own national preparations. These involve all levels of government, non-governmental organizations and many concerned Canadians who wish to participate. Canada's participation in Habitat is being coordinated by a Canadian Participation Secretariat, housed in my own Ministry. Our role as host is being managed by our Department of External Affairs.

I should make it clear that Habitat is primarily a Conference of governments. The reason for this is clear. The solutions to the problems of human settlements will require national commitments to principles or programs. Only governments can make these commitments.

But there will be a separate meeting of non-governmental organizations and individuals from around the world. It will meet in Vancouver at approximately the same time as Habitat. This "Habitat Forum", as it will be called, follows the precedent of the "Environmental Forum" in Stockholm and the "Population Tribune" in Bucharest. We are providing financial assistance to the forum and otherwise doing a great deal to ensure that it is a success.

The "Habitat Forum" will influence the official United Nations Conference as will the Conference influence the forum. But I think it would be a mistake for non-governmental organizations to focus all their energies on the "Habitat Forum" as if it were the sole channel of influence on governments and the positions they take on the issues to be debated in Vancouver.

I am saying this now, because I think you can and should have an influence on Habitat. The Canadian Government, and no doubt other governments around the world, will want to incorporate advice from non-governmental organizations and individuals on the issues to be dealt with in the official Conference. But if you wait until next May you are likely

to be too late to have the influence you deserve. Contribute now and in the months ahead to the preparations that are going on in Canada, in the U.S.A. and in other countries. If it happens that you feel your message is not being heard, then you still have the opportunity provided by "Habitat Forum".

Having said that, I should tell the Canadians here how they can influence the shape of Habitat. There are, I think four ways.

First, as individuals or groups, you can speak to us directly. Write to me or to the Canadian Participation Secretariat in my Ministry. If we do not hear from you, we of course will not know what your views are.

Second, the Canadian National Committee is arranging a series of public hearings across Canada later this year. These are intended to give individuals, community groups and others the opportunity to tell us what they feel is most important and urgent.

A third way to get involved in Habitat is through symposia organized by the Canadian National Committee to be held across Canada on the major human settlement issues. More about these symposia, and of other Habitat preparations, will be found in the new issue of our Habitat Bulletin which is available at this Conference.

Finally, you can contribute to Habitat by getting something done in the field of human settlements. As I said earlier, we all recognize that although human settlements problems are world wide and have many features in common, the main action must be taken within countries. Nor do we have to wait for Habitat to get on with it. Whether you act as individuals, as a member of a professional or community group or as a part of a governmental agency, the occasion of Habitat can and should be the occasion when things happen.

The federal Government also attaches a great deal of importance to the Canadian Urban Demonstration Projects Program. It is a separate program from Habitat. It begins on April 1 this year and extends over a five year period. The federal Government has committed one hundred million dollars to it.

Although the Canadian Urban Demonstration Projects Program is separate from Habitat, it was and is intended to support one of the main objectives of Habitat - new approaches to solutions to human settlements problems.

Since the program was announced, we have received over 160 proposals from all parts of Canada. I am today announcing the approval of the first 14 projects. The list is too lengthy to go through but it includes projects from all parts of Canada. The projects also deal with a wide range of issues. For example, they include the "Livable Region Plan" of the Greater Vancouver Regional District and the



Government of British Columbia which is being developed to guide the growth of the Vancouver Region. They include the new Town of Leaf Rapids, Manitoba, put forward as a project by the Manitoba Government. And they include Mirabel, a proposal of the Quebec Government with world wide significance, demonstrating how a new airport near an urban area can be designed in harmony with the human and natural environment.

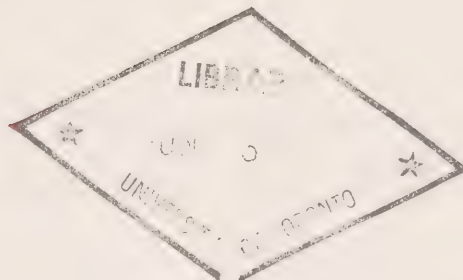
A full list of approved projects is available at the Ministry's exhibit.

I might mention here that the National Capital Commission, for which I am responsible, will be presenting its planning proposals for the National Capital Region at a special reception tonight for Canadian Delegates and other guests. We would like very much to hear their views on the development of the National Capital.

In closing let me say that I think Habitat is a crucially important opportunity for all nations to both enhance their thinking in policies and work on their own problems of human settlements and to share their experience and knowledge with other nations. It also represents new opportunities for nations to address the question of a better sharing of the world's technical and financial resources in this area, and of any modifications in our common institutions that may be needed to achieve this.



Society has many strengths when harnessed by men and their institutions to build them into instruments for the betterment of mankind. Yet unharnessed, uncoordinated and undirected, these fragmented forces for action can expose an environment that is indeed fragile, and can also combine the elements of its own destruction. It is a unique opportunity for those with the training and skills represented here today to exert your talents in support of a world society that not only survives but survives with dignity.



Notes for a Speech by Pierre DeBané  
Parliamentary Secretary to  
The Honorable Barney Danson  
Minister of State for Urban Affairs  
Real Estate Institute of B. C. Convention  
Kamloops, B. C.  
April 28, 1975.

Mr. Chairman:

I would like to thank this Institute for the kind invitation to speak to you today, for members of your profession are an important link between government policies affecting housing and many of the people whose interests we are trying to serve.

I hope today that I will be able to explain to you what we, at the Federal level, are doing to help solve the housing problems in this country, and what might reasonably be expected to happen in the coming months.

First, let me review very briefly the background that led to certain Federal Government measures in connection with housing.

Last year, housing prices accelerated at an incredible rate under the pressures of inflation psychology, a general demand that outstripped the supply and other factors that had little to do with the actual value of the land, the house or the costs of construction.

While this was happening, the cost of mortgage money was forced upward as a result of the demands on money markets, inflationary pressures throughout most of the world, and other economic factors.

Buying a house suddenly became a very expensive undertaking indeed -- so expensive, that even affluent prospective buyers hesitated to commit themselves. The less affluent were, for the most part, deprived of the opportunity to become home-owners. They just couldn't afford it anymore.

Mortgage money became largely unavailable last year, as all of you know so well, because lenders were reluctant to make commitments in such an uncertain market. Buyer resistance became more and more evident, and builders hesitated to put up new houses.

As a result, housing starts last year totalled only 222,000, a drop of 17 per cent from the previous year, despite the fact that starts were at record levels early in the year.

When it became evident last year that housing starts in 1975 were in danger of falling to unacceptable levels, increased intervention by the Federal Government became necessary. The Finance Minister's budget contained the first of a series of measures to stimulate housing starts and stabilize the market.

You will recall that the budget reduced the sales tax on building materials from 11 to five per cent, and

eliminated the sales tax on construction equipment and on materials used for municipal water distribution systems. It restored, for one year, capital cost allowances on multiple-unit rental buildings for investors. The Minister of Finance also announced the Registered Home Ownership Savings Plan to help people -- particularly young families -- save the money required for a down payment on a new home.

There were other measures taken last fall as well. The restrictions on high-ratio mortgages, which had been requested during the boom period earlier in the year, were removed to help stimulate production, and the Minister of State for Urban Affairs, the Hon. Barney Danson, announced tax-free grants of \$500 for purchasers of new, moderately-priced homes.

All of these measures were helpful in stimulating the market and helping to give people access to good, affordable housing, but it was evident that a more comprehensive approach was needed. In particular, we wanted to attract much more private financing into housing because, considering the broad range of the Government's obligations, there is obviously a limit to the amount of public funds that can be channeled into housing.

A few weeks ago certain amendments to the National Housing Act became law, and we are confident that they will have an important impact on the housing market.



One of these amendments relates to the Assisted Home Ownership Program, surely the most popular program ever administered by Central Mortgage and Housing Corporation. Through AHOP, as you know, a qualified family can buy a home with a mortgage direct from CMHC at the reduced rate of eight per cent. Families that require further assistance can obtain an interest-reducing grant of up to \$600 a year. The purpose of AHOP is to enable families of low and moderate income to buy their own homes while keeping monthly payments to a reasonable proportion of their incomes. Last year the budget of \$450 million for this program was depleted well before the year was out. The demand on our funds for this program in 1975 is continuing at the same, or an increased, rate.

The obvious effectiveness of AHOP was instrumental in convincing Parliament that it should be broadened to attract private funds. One of the new amendments to the Act allows CMHC to provide an interest-reducing grant of up to \$600 a year to qualified families who can obtain an NHA-insured loan from a private lender, rather than through CMHC. Guidelines in each market area determine the maximum price of houses to which this program applies and the infusion of private mortgage funds gives it a good deal more flexibility than before.

A second amendment is of benefit to people who rent their accommodation. It will allow CMHC to provide interest-reducing grants to owners or builders of rental property,

provided they are willing to enter an agreement with CMHC regarding rents to be charged. This agreement, which will be for at least five years and may be extended to 15, ensures that the benefits paid out in public money are passed on to the tenants. The grant, in effect, bridges the gap between the rate at which the builder can borrow mortgage funds and the rate at which he can provide apartment units at less-than-market rates.

Both of these programs combine public funds and private capital in the creation of moderately-priced housing -- the kind that Canadians need most. The reaction from both the building industry and the financial community has been most encouraging, and we anticipate that these programs will result in the infusion of as much as a billion dollars of private capital this year.

Although housing starts remained down for the first three months of the year, there is no doubt that the new amendments passed just a few weeks ago will have an effect in stimulating both consumer demand and the production of housing for ownership and rental. However, the Minister has stated that if these remedies are not sufficient to achieve the desired results, he is prepared to introduce further measures to bolster the housing market.

So far I have talked of Federal policies and programs that apply primarily to the present or the near-future, although

many of them will undoubtedly have far-reaching effects, but now I'd like to mention a CMHC program that might well be described as a blueprint for the future, and may very well have an important influence on the kind of products you will be selling a few years hence. A new program at CMHC has been created to explore alternatives in community living which could forestall the problems of undisciplined growth.

CMHC has set up a major Development and Demonstration Division to show what can be done to improve the quality of urban and suburban living. This is not a "pie-in-the-sky" futuristic experiment, it is a practical program to develop real communities to be inhabited by people. These communities will be economically sound and capable of being reproduced immediately in other areas, with modifications or improvements, by builders and developers.

This program does not put CMHC into competition with the development and building industry. It was launched with the realization that research of this nature is often far too expensive for private industry to undertake, but that innovative studies in housing design and community planning cannot be neglected. It was evident that only public funding could support research of sufficient scope to contribute significantly to this challenge.

The purpose of the program is, in part, to see just how far human ingenuity can go in making use of present

knowledge and technology in designing and building communities that genuinely fill the needs and desires of the people living in them. The demonstration projects will explore a wide variety of areas, such as new housing forms that allow reasonable density without destroying privacy and personal identity; new ways of using air space over shopping centres and factories; new methods of recycling waste and conserving energy; the potential for solar heating; effective techniques of developing community identity -- all these and many more considerations will be part of the Development and Demonstration projects.

Planning is already well underway for two communities in the Ottawa metropolitan area as the start of a national program. Subsequent projects will be developed for other parts of Canada from coast to coast, and I expect one of the first of these will be in British Columbia.

The people at CMHC are in the market for ideas at the moment. Part of the project planning will, of course, involve in-depth consumer research to obtain a better understanding of specific needs. As professionals in the real estate field, you are closer to the home buyer than any other group. Many of you may have substantial contributions to make to this research through your close association with home buyers who have definite ideas on what they want in a house and within a community. I hope that you will not hesitate to make your ideas and suggestions known to the officials at



## Central Mortgage and Housing.

There is one other area of interest I wish to talk about today. Although our primary concern now is the production of new housing, we cannot ignore the need to preserve existing housing. The older residential neighbourhoods of cities and towns contain homes that are generally well built and worth preserving. It is neither economically sound nor socially desirable to bulldoze them into rubble and replace them with modern bungalows or high-rise apartment buildings.

For this reason, the Neighbourhood Improvement Program, better known as NIP, and the Residential Rehabilitation Assistance Program, usually referred to as RRAP, came into being two years ago to help preserve and restore residential communities in the core areas of Canadian communities. The two programs usually run in conjunction with one another, and are designed to halt the deterioration of viable communities and make sure they continue to be healthy and satisfying places in which to live.

To state it briefly, NIP allows CMHC to enter into agreements with the provinces to make grants and loans for improving the living conditions of residents in selected areas. RRAP complements NIP by offering aid in the form of a loan, part of which is forgivable, to individual home owners to bring their properties up to acceptable standards of safety and health.



We cannot allow any Canadian city to go the way of so many major cities elsewhere in allowing their inner core to decay. Federal programs such as NIP and RRAP were created to prevent this from happening, and when they are used wisely, they can and will help to maintain the vitality and character of older neighbourhoods. In addition, and perhaps of more direct interest to you, these programs increase the value of existing housing in established neighbourhoods where many people may want to locate.

And now, to summarize, I think home buyers -- and through them, real estate professionals -- will benefit increasingly in the coming months through the initiatives we have taken in the housing field. You will note that all of the CMHC programs are directed towards people in the low and moderate income range, and I believe that, for this year, that is where the biggest volume of business will be.

Prospective home buyers will be looking for bargains, and they will become more and more available as the year progresses. This demand can be met by a prudent seller who is ready to accept a reasonable return on his investment. As always, your guidance, based on your own knowledge and experience, will be a major asset in bringing these parties to a mutually-rewarding agreement.

Remarks by  
the Honourable  
Barney Danson

Minister of State  
for Urban Affairs

Discours de  
l'honorable  
Barney Danson

ministre d'État  
chargé des  
Affaires urbaines



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URBAN DEVELOPMENT INSTITUTE

INN ON THE PARK, TORONTO

MAY 1, 1975

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de la Capitale  
Nationale



I am very glad to have the chance to speak today to members of the Urban Development Institute who play such an important part in the production and distribution of housing for Canadians.

The building industry in Canada -- in partnership with government -- has done a remarkable job in the last 30 years, in terms of both the volume and quality of its housing production. I have often said we are among the best housed people in the world and, after my recent tour of European countries, I am more convinced of that than ever. I am determined to maintain that dynamic and efficient residential construction industry, and to create an orderly and competitive marketplace within which it can operate in the interest of all Canadians.

I am still optimistic that, by making a supreme effort in the months ahead, we can, together, raise the level of housing production in Canada to the point where it will meet all of the requirements of our growing population and the demands of new households being formed.

I do not wish, in any way, to diminish the magnitude of that task. It can be achieved only if it is shared by all of us -- all levels of government, all sectors of the industry, and the financial community.

I am sure, by now, you are all familiar with the various steps we have taken in the last few months to stimulate production of housing, particularly rental housing and housing in the low and medium price ranges -- both taxation measures and legislative amendments. I don't need to go into all of them in detail now.

I do think, however, that I ought to share with you some of the positive results we are achieving with federal programs.

First of all -- in Assisted Home Ownership, probably the most popular housing program ever introduced in Canada. We have already committed more than \$124 million in AHOP loans to Canadian families and, if things go on at this rate, we will have expended our allocation of more than \$340 million by mid-summer.

There has been an equally enthusiastic response to our offer of a \$500 grant to all first-time purchasers of new modestly-priced housing. We have now paid out some seven million dollars in home-owner grants to about 14,000 families who have bought their first home.

For people who rent their accommodation, we recently launched a \$200 million campaign. We offered that amount of money at eight per cent interest to builders who are prepared to create accommodation at moderate cost and to enter into agreement with CMHC regarding rents. The deadline for receiving



these proposals was yesterday and returns are still coming in from CMHC branch offices. What is very apparent already is that this proposal has been heavily over-subscribed. It is quite evident that when we have allocated the available funds to the best of these proposals, we will have some very worthwhile projects left over.

I am determined that these proposals which have far exceeded our expectations will not fail for lack of suitable financing. One possibility, certainly, is that they might be supported by private lenders through our privately-funded Limited Dividend Rental Program which was enacted into law by Parliament a few weeks ago. This program makes monthly interest-reducing grants of up to \$50 a unit to builders who will sign a rent agreement. If necessary, we will take a hard look to see if we can squeeze some more money out of our 1975 capital budget to ensure that as many as possible of these worthwhile projects are actually built.

We have not yet begun to feel the effect of the new programs created by the most recent amendments to the Act -- the privately-funded Limited Dividend Rental Program, which I have already mentioned and privately-funded AHOP which extends interest-reducing grants to home-buyers who finance their purchases with NHA-insured loans from approved lenders. We will be launching in the next few weeks a national newspaper

advertising campaign in support of private AHOP to make sure that everybody who is eligible knows about the program and how to use it and to ensure that we get the biggest possible boost in terms of housing starts.

I believe that these two programs, which combine public contributions with private capital, can mean the infusion of as much as a billion dollars in residential construction this year.

I would be very disturbed if these efforts to create more housing, of the kind people need at a price they can pay, were to be offset by rising mortgage interest rates which put monthly payments beyond many people's reach. I appreciate the many factors which affect the cost of money in a free economy but we are going to keep a close watch on interest rates to ensure that the public interest is served. In the meantime, we are continuing our efforts to increase the flow of private capital into the residential mortgage market and, by increasing the supply, exert a downward pressure on rates.

All of these measures support my priorities for 1975.

The first is to get the building industry moving again and to restore our rate of production.

The second is to make sure that as many of these starts as possible are in the low and medium price range, to meet the country's most urgent needs.

And third, within these price ranges, I want to emphasize rental accommodation for families.

When I met with all of the provincial housing ministers in January, I indicated to them at that time that we would be meeting again to review our progress in home construction and to consider new initiatives if they are required.

I have sent them all a message in the last few days inviting them to meet with me again for consultations before this month is out. I have asked them -- before we meet -- to give me a projection of the programs in each province which will be most effective in producing the maximum number of starts this year and the kind of funding they will require. I have asked them, at the same time, to look at their requirements for infrastructure programs, which help maintain building momentum, and programs such as residential rehabilitation which help create economic activity and jobs.

Meanwhile, I have urged the provinces to make every effort to put their existing allocations of federal housing funds to work as quickly as possible. At the January federal-provincial conference, and in the weeks since that time, I have had many representations from provincial housing ministers -- sometimes very forcibly expressed! -- that they don't have nearly enough funds for the federal programs which they undertake on their own initiative.

As I have said many times, I place a high value on provincial plans and priorities for the implementation of federally-funded programs. I would be inclined to give more weight to these demands for more money, however, if they were making more headway in spending the money they already have. Of the \$300 million allocated to the provinces for federal-provincial housing programs in 1975, as of April 17 -- well into the second quarter of the year -- less than 10 per cent had been taken up.

I am sure that, in many cases, there are reasons why these funds have not been put to use more quickly and I don't mean to pass judgment on this performance. I simply wish to emphasize the urgent necessity, in the national interest, to take extraordinary measures, to break through the roadblocks, and get the industry moving again.

We, in our area of jurisdiction, are exploring all possible steps that are likely to be productive and I trust the same effort is going on throughout the country.

On the subject of federal-provincial co-operation, I am very pleased to announce that Mr. Irvine and I, just a few minutes ago, signed two important agreements. The first will allow us jointly to implement in the Province of Ontario the federal Rural and Native Housing policy. By this agreement,



the federal government will accept 75 per cent and the province 25 per cent of both capital costs and operating losses involved in providing housing for people in rural and remote parts of the province. Monthly payments would be geared to income. While this program is available to all rural people who qualify, it will be particularly useful to native people many of whom are desperately in need of housing. This agreement with Ontario is part of our commitment to create or rehabilitate 50,000 housing units for rural and native people throughout Canada in the next five years.

The second agreement which Mr. Irvine and I signed this morning is to share the cost of providing low-income people with units in non-profit and co-operative housing projects at rates geared to their incomes. The difference between the cost of the unit and what they can afford to pay will be shared by the federal-provincial partners on a 50-50 basis. Generally the proportion of family units to be subsidized within any one project will be limited to 25 per cent but exceptions can be made in special circumstances. There will be no fixed limitation on the proportion of units to be subsidized for senior citizens.

I am very pleased to be able to pass that news on to you this morning and I would like to express my appreciation of the helpful and accommodating spirit with which Mr. Irvine and his staff have helped bring these negotiations to a successful conclusion.



I know that I can count on the private sector to demonstrate the same willingness to share the task.

I began my remarks to you by mentioning the important part that you play, as entrepreneurs, in helping to achieve national housing objectives and I want to end by underlining that thought. Now, more than ever, it is essential that private industry and government pull together in a planned and co-ordinated way to meet the challenge that faces us in the year ahead.

I believe it can be a good year for all of us. It is going to be a year in which competitive forces will come more fully into play, the way the market economy is meant to work. People are shopping around but they are ready to buy when they see what they want. With both federal and provincial governments offering generous assistance there is little advantage to them in putting off their decision.

There will be some sharpening of pencils, and the days of taking whatever the traffic would bear are long past. There will be rewards for firms who are prepared to accept reasonable returns, closely related to production costs.

If the federal government has anything to do with it, however -- and we propose to have a great deal to do with it -- the action is going to be in the low and medium-price market. That is where we will be focussing federal government support. If you are prepared to join us in creating more housing in 1975 --

more housing of the kind that most Canadians need and can afford -- you have every reason to be confident in your own prosperity and the economic well-being of our country.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
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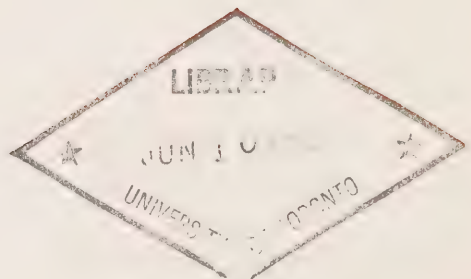
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*Barney Danson*

INSTITUTE OF CANADIAN BANKERS

SUDBURY

MAY 8, 1975







I am always pleased to have a chance to speak to a meeting of bankers, since the institutions which you represent play such an important role in the financial and economic life of this country. To meet with a group of bankers who are assembled for the express purpose of improving their education is too good an opportunity to turn down!

I am not sure I have anything instructive to say to members of the Institute of Canadian Bankers but I assume you would like me to tell you something about the housing situation in Canada as I see it and what we as a government are doing to improve it.

The one question which seems uppermost in the minds of most people -- bankers as well as ordinary mortals -- is the high cost of housing. As I am sure you will realize there is no one simple explanation. There are many factors involved in cost.

Inflation is a general, world-wide problem. The Government of Canada is coping with it on many fronts -- domestic and international -- but the response to these economic and fiscal measures will be apparent only over a considerable period of time. In the meantime, the effects of inflation hit hard in the housing field because, for most people, housing is their largest single investment.



High interest rates are an effect of inflation and of the world-wide supply and demand for capital. Money markets are international and are not completely manageable by any single national government.

The production of housing depends on the continual flow of very substantial amounts of capital -- six and a half billion dollars a year. Obviously the taxpayer can't be expected to provide all of these funds. CMHC's annual capital budget is presently close to one and a half billion dollars a year but the rest, a further six to seven billion dollars, must come from private sources, including, of course, the chartered banks as well as trust companies, credit unions and other institutions, not to mention parents, in-laws and grandparents.

The cost of this capital, if it is going to be available depends very largely on trends in the private money markets. As you know as well as I, mortgage rates in 1974 climbed very high but, in the early weeks of 1975, dropped to more reasonable levels. Now they seem to be on their way up again and, if that is so, it will create serious problems for many Canadian families. I have been taking all steps within my power to increase the flow of private capital into the residential mortgage market and, in this way, to exert a downward pressure on rates. We are watching the movement

of mortgage rates very closely and I want it to be clearly understood that this is a matter of serious concern to me and to the government.

I have introduced two new programs to stimulate the production of new moderate-cost housing which I expect will infuse another billion dollars of private capital into the market. These are, of course, the amendments to the National Housing Act which permit the investment of private capital in the Assisted Home Ownership Program and in the Limited Dividend Program for rental accommodation. In both programs, government subsidies are combined with private loans to extend their benefits to many more people than could be served by public funds, which are taxpayers dollars alone.

Another factor contributing to high housing costs is the scarcity of serviced land. Land is not being opened up fast enough to meet the demand. We have lots of land in Canada but it is of no use for housing until the sewer pipes are in the ground and all the other essential services are available. It's natural to think of speculators holding land off the market to improve their price but that is probably not a significant problem. Most people who have suitable land are now anxious to develop it and realize their profit. One serious

roadblock is the municipal approval process. For many municipalities, residential development represents a net tax loss -- they can't collect enough in taxes to pay for the additional demands for services made by new families. This is particularly true of housing in the low and moderate price ranges and less true for expensive housing on large lots. Many municipalities are not rushing to approve new housing developments.

In recent years CMHC has budgetted \$100 million a year in loans to finance the public assembly of land by the provinces and municipalities. In order to overcome the reluctance of some municipalities to encourage residential development, CMHC gives priority for its land assembly funds to projects in which the governments involved take no profits but plow any proceeds back into community amenities -- such as land for schools, parks, day-care centres and so on -- at no cost to the municipal government. It also gives priority to projects which seem likely to produce houses quickly and to have an immediate effect on the market. All of this is in the context of good planning.

The most recent amendments to the National Housing Act also provide new and more generous assistance to municipalities for sewage treatment facilities, particularly where they are used to open up new land for housing.



A number of initiatives were announced in the Finance Minister's budget and were intended to help pull the housing industry out of the slump which began in mid 1975 and, by increasing the supply, to push down costs.

These measures, as you will recall, included

- \* reduction of the building material sales tax from 11 per cent to five per cent,

- \* capital cost tax allowances against other income for those investing in apartment construction,

- \* provision that carrying costs of land awaiting development or held for speculation may not be charged against other income for tax purposes,

- \* the Registered Home-owners Saving Plan which exempts from tax savings intended for the purchase of a new home.

We also instituted a program of \$500 grants to first time purchasers of new moderately-priced homes, including condominiums, co-operative housing units and mobile homes as well as more conventional housing. You may be interested to know that we have mailed out more than seven million dollars in cheques to some 14,000 new home-buyers who have benefitted from this program.

We have also had a very gratifying response to our Accelerated Rental Housing Program. Expanding on a program which we initiated last year, we offered \$200 million in loans

at eight per cent to builders who were prepared to create housing for rental at moderate rates, to be agreed-upon by CMHC. The response was overwhelming. We received more than 250 proposals, to build some 23,400 units, a potential investment of almost \$550 million, more than 2½ times the amount we budgetted for. I am hoping that some of these projects will be taken up and financed by private lenders, under the terms of our new rental housing assistance legislation.

While these activities have been going on, aimed at stimulating production of moderately-priced housing, CMHC has been implementing a wide range of programs which are directed to people who need help, either temporarily or over the long haul. They are designed to give people the widest possible choice about the kind of housing they will occupy and their form of tenure -- as home-owners, tenants, or members of housing co-operatives. These programs, of course, include the Assisted Home Ownership, Non-Profit Housing, Limited Dividend Housing, Co-operative Housing, Public Housing and Rural and Native Peoples Housing programs.

They are in addition to broader National Housing Act programs aimed not only at housing but at the quality of the community environment. Such programs include the Neighborhood Improvement Program which helps preserve and improve neighborhoods in danger of decay and destruction, the

Residential Rehabilitation Program, the Sewage Treatment Assistance Program and the New Communities Program which offers help in implementing alternatives to unplanned urban sprawl. The Development and Demonstration Program encourages community improvement by developing and creating actual projects which illustrate standards of excellence in housing and community design.

I have tried to sketch out for you, some of the factors underlying our housing problems in Canada and some of the steps which we are taking to solve them.

There are greater opportunities than ever before for banks, trust companies, credit unions and other lenders approved under the National Housing Act to play a constructive and creative role in achieving our national housing objectives.

As a result of the increased assistance under the NHA for people who want to buy or rent modestly-priced homes, there will be new demands on banks and other lending institutions for mortgage loans. I expect that these institutions -- and especially the banks, which are chartered by the Parliament of Canada to perform important public services -- will respond to these demands to the limits of their resources as a matter of high priority.

I expect also that bankers, who are traditionally community leaders, will use their experience and influence to help and encourage community organizations such as churches, services clubs, veterans organizations and unions, to become sponsors of non-profit or co-operative housing projects. I should remind you that the federal government provides 100 per cent financing of these projects, at favorable rates of interest, and will either provide a grant amounting to 10 per cent of the capital cost or will acquire the land needed for the project and lease it back to the sponsors at a nominal charge. In addition to all of this assistance, which is available through CMHC, the Department of Veterans Affairs will provide additional help for qualified non-profit or co-operative projects intended for veterans and their families.

The reports of housing starts across Canada in the month of April are more encouraging than they have been for many months. I am more optimistic than ever before that, with the co-operation of all levels of government and the private sector, including the financial community, we will raise housing production in 1975 to a level that will more than fulfill the growing needs of Canadian families.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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*Statement and press conference*

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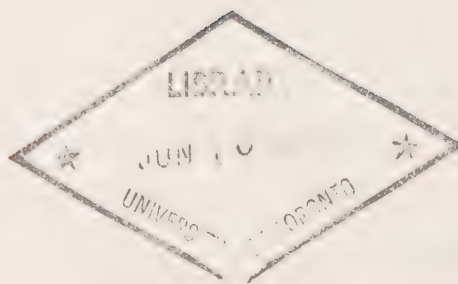
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MULTIPLE DWELLING STANDARDS ASSOCIATION  
ANNUAL MEETING

HOLIDAY INN, DON VALLEY

MAY 9, 1975



Ministry of State  
Urban Affairs Canada

(613) 995-9746

Ministère d'État  
Affaires urbaines Canada

Central Mortgage  
and Housing  
Corporation

(613) 746-4611 local 266

Société centrale  
d'hypothèques  
et de logement

National  
Capital

Commission

(613) 932-4251

Commission  
de la Capitale  
Nationale



While I understand your membership is not directly involved in the construction of new rental housing but rather in the acquisition and ownership of existing apartment buildings, I am informed that you are nevertheless interested in anything pertaining to housing.

Having only recently returned from a four-country tour of Western Europe I am convinced that Canadians are among the best-housed people in the world.

In saying that, I am only too well aware that we are not without problems, serious ones in some areas.

We all know that housing starts are down from the record year of 1973.

We are equally aware that the most serious shortage of housing in Canada at the moment is in the area of rental accommodation, and that those hardest hit are in the lower and moderate income ranges.

But we are and have been doing something about these problems. The federal government, through a number of taxation measures and through the introduction of amendments to the NHA have taken positive steps to stimulate the production of housing and rental accommodation in the lower and medium-price ranges. And these programs are beginning to take effect. They are starting to work.

This evening, I want to take this opportunity to share with you some of the positive results we are achieving with such federal programs.

First of all -- Assisted Home Ownership, probably the most popular housing program ever introduced in Canada. We have already committed more than \$124 million in AHOP loans to Canadian families and, if things go on at this rate, we will have expended our allocation of more than \$340 million by mid-summer producing homes for more than 13,500 Canadian families.

There has been an equally enthusiastic response to our offer of a \$500 grant to all first-time purchasers of new modestly-priced housing. We have now paid out some seven million dollars in home-owner grants to about 14,000 families who have bought their first home.

For people who rent their accommodation, we recently launched a \$200 million Accelerated Rental Housing campaign. We offered that amount of money at eight per cent interest to builders who are prepared to create rental accommodation at moderate cost and to enter into agreement with CMHC regarding rents.

The response to this program from builders across Canada has been excellent. Thus far we have received some

250 proposals from them which, if we had the resources to accept every proposal, would result in the construction of something like 24,000 units across Canada at an estimated total value of nearly \$550 million.

In Ontario alone we received 71 proposals for the construction of 9,485 units and Toronto came in with 20 proposals from builders which would add 5,626 new apartment units in a city where they are urgently needed.

Clearly, even when we have allocated the available funds to the best of these proposals there will still be worthwhile projects left over.

The response to our proposal call has far exceeded our expectations and I am determined that these good projects which we are simply unable to fund directly will not fail for the lack of suitable financing.

One possibility is that they might be supported by private lenders through our privately-funded Rental Assistance Program which was enacted into law by Parliament a few weeks ago. This program makes monthly interest-reducing grants of up to \$50 a unit to builders who will sign a rent agreement. If necessary, we will take a hard look to see if we can squeeze some more money out of our 1975 capital budget to ensure that as many as possible of these worthwhile projects are actually built.



Since I am on the subject of rental housing this will provide a good opportunity for me to review with you some of the activities we have been and are engaged in concerning this very important area.

In 1974, 81,600 units of rental housing were started in Canada, a figure that includes 67,600 apartment units and 14,000 units of row housing.

For 1975, we have allocated some \$600 million of CMHC's capital budget to rental housing -- well over half the total housing budget -- and we expect at least to match our 1974 level of production.

Aside from this direct federal investment, we expect to draw several hundred million dollars of private money into the rental market through our privately funded Rental Assistance Program, which I have mentioned, whereby builders of suitable rental accommodation can get interest-reducing grants from the federal government.

In the last budget of my colleague, Finance Minister John Turner introduced a measure which I think may be of particular interest to members of this association. He restored, for a period of one year, the capital cost allowances which offset rental income for tax purposes for private investors. This was one of a number of steps we have taken to encourage private investment in rental accommodation and to increase production.

We have not yet begun to feel the effect of the new programs created by the most recent amendments to the Act -- the privately-funded Rental Assistance Program, and privately-funded AHOP which extends interest-reducing grants to home-buyers who finance their purchases with NHA-insured loans from approved lenders. We will be launching in the next few weeks a national newspaper advertising campaign in support of private AHOP to make sure that everybody who is eligible knows about the program and how to use it and to ensure that we get the biggest possible boost in terms of housing starts.

I believe that these two programs, which combine public contributions with private capital, can mean the infusion of as much as a billion dollars in residential construction this year.

I would be very disturbed if these efforts to create more housing, of the kind people need at a price they can pay, were to be offset by rising mortgage interest rates which put monthly payments beyond many people's reach. I appreciate the many factors which affect the cost of money in a free economy but we are going to keep a close watch on rates to ensure that the public interest is served. In the

meantime, we are continuing our efforts to increase the flow of private capital into the residential mortgage market and, by increasing the supply, exert a downward pressure on rates.

All of these measures support my priorities for 1975.

The first is to get the building industry moving again and to restore our rate of production.

My second priority, which is really complementary to the first, is to make sure that as many of these starts as possible are in the low and medium price range, to meet the most urgent needs of the Canadian people.

And third, within these price ranges, it will be no surprise to you by now to learn that I want to emphasize rental accommodation for families.

When I met with all of the provincial housing ministers in January, I indicated to them at that time that we would be reviewing our progress in home construction again and would consider new initiatives if they are required.

I have been in touch with them in the last few days for further consultations, and I have asked them to give a projection of the programs in each province which will be most effective in producing the maximum number of starts this year and the kind of funding they will require. I have also

asked them to look at their requirements for infrastructure programs, which help maintain building momentum, and programs such as residential rehabilitation which help create economic activity and jobs.

I have also urged the provinces to make every effort to put their existing allocations of federal housing funds to work as quickly as possible. At the January federal-provincial conference, and in the weeks since that time, I have had many representations from provincial housing ministers -- sometimes very forcibly expressed! -- that they don't have nearly enough funds for the federal programs which they undertake on their own initiative.

As I have said many times, I place a high value on provincial plans and priorities for the implementation of federally-funded programs. I would be inclined to give more weight to these demands for more money, however, if they were making headway in spending the money they already have. Of the \$300 million allocated to the provinces for federal-provincial housing programs in 1975, as of April 24 -- well into the second quarter of the year -- scarcely 10 per cent had been taken up.

I am sure that, in many cases, there are reasons why these funds have not been put to use more quickly and I don't mean to pass judgment on this performance. I simply



wish to emphasize the urgent necessity, in the national interest, to take extraordinary measures, to break through the roadblocks, and get the industry moving again.

We, in our area of jurisdiction, are exploring all possible steps that are likely to be productive and I trust the same effort is going on throughout the country.

On the subject of federal-provincial co-operation just last week in Toronto I signed two important agreements relating to housing for the people of Ontario.

The first of these will allow us jointly to implement the federal Rural and Native Housing policy in the Province of Ontario. By this agreement the federal government will accept 75 per cent, and the province 25 per cent of both capital costs and operating losses involved in providing housing for people in rural and remote parts of Ontario. Monthly payments are geared to income. While this program is available to all rural people in designated areas who qualify, it will be particularly helpful to Native people who are desperately in need of housing. This agreement with Ontario is part of our commitment to create or rehabilitate 50,000 housing units for rural and Native people throughout Canada in the next five years.

The second agreement which I signed was for sharing the cost of providing low-income people with units in non-



profit and co-operative housing projects at rates geared to their incomes. The difference between the cost of the unit and what they can afford to pay will be shared by the federal-provincial partners on the usual basis. Generally the proportion of family units to be subsidized within any one project will be limited to 25 per cent but exceptions can be made in special circumstances. There will be no fixed limitation on the proportion of units to be subsidized for senior citizens, and in other special situations.

As you can see, the federal government is determined to attack the housing problems of the Canadian people.

I am heartened by the fact that we are beginning to see some results to our efforts. For example, in April housing starts on a seasonally adjusted basis increased to 185,100. Certainly, I am not complacent or totally satisfied with this figure but it is a positive indication of an upward move in housing starts from the earlier months of the year.

We do not propose to let up in our efforts to at least keep abreast of demand for accommodation but it is essential that we receive co-operation not only from other levels of government but from the housing industry as well.

Now, more than ever, it is essential that private enterprise and government pull together in a planned and co-ordinated way to meet the challenge that faces us in the year ahead.

I believe it can be a good year for all of us. It is going to be a year in which competitive forces will come more fully into play, the way the market economy is meant to work. People are shopping around but they are ready to buy when they see what they want. With both federal and provincial governments offering generous assistance there is little advantage to them in putting off their decision.

There will be some sharpening of pencils, and the days of taking whatever the traffic would bear are long past. There will be rewards for firms who are prepared to accept reasonable returns, closely related to production costs.

If the federal government has anything to do with it, however, -- and we propose to have a great deal to do with it -- the action is going to be in the low and medium-price market. That is where we will be focussing federal government support.

I am counting on everyone involved in the production, financing, acquisition and rental of housing in Canada to join with me in achieving the objective we should all share -- that of giving every Canadian access to the dignity of safe, clean and healthy accommodation.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

For Release: 1:00 p.m. EDT  
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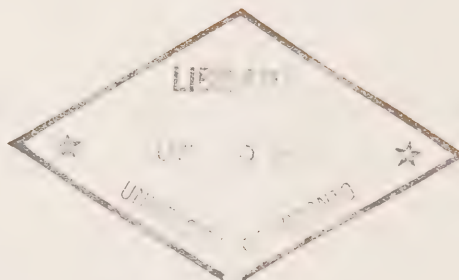
Statement

Notes for remarks

to a meeting of

Metropolitan Toronto Traffic Conference

Toronto, May 12, 1975





The Honourable Barney Danson  
Minister of State for Urban Affairs

Like all of you here this afternoon, as a Torontonians, I have a stake in what happens to Metro and how it develops, not only in the next few years, but in the next few decades as well.

When Allan Barber wrote to me asking me to speak here today, he sent along a brief history of your organization. Although I am familiar with the function of the Traffic Conference, I was interested to learn how that function had developed and changed over the years.

In the forty years since the establishment of the conference, you have changed from an organization concerned with the enforcement of traffic regulations to one with a vital and important role in the planning of urban transportation systems. One thing about the conference has not changed, however, and that is your role of reconciling competing or conflicting interests for the benefit of the Metro region as a whole.

Organizations like the Traffic Conference are valuable, and even necessary if we are to face successfully the challenges of the modern city. As you know, one of the greatest and most urgent challenges is the development of effective urban transportation systems.

I do not think there is any question about the impact of any transportation system can have on a city. And it is this potential impact that makes the role of your organization so important and the involvement of all levels of government so imperative.



For many years now, urban transportation has been dominated by the private automobile. It is only in the last few years that we have realized the effects of that domination.

Everyone knows what the rush hour in large cities can be like. Most of us know the proven potential of the car for environmental damage. We know too that we have spent tremendous amounts of money, both as individuals and governments, for the construction of more and better roads and highways. In any Canadian city, we can see the large amounts of land that we have dedicated to parking lots and roads.

In the last few years, a new problem has been added -- the rising cost of energy. As a result, we have realized that our high level of reliance on the private car is not the most efficient way to use a finite resource.

In economic terms alone, our passion for the private car has cost each of us a great deal of money. Each year, Canadians spend about \$7 billion on car travel in urban areas and another \$5 billion over all. In contrast to the \$12 billion spent on private cars, less than one-half billion was spent on operating all forms of public transit in Canada. In other words, for every dollar Canadians spend on their cars, they spend only 4 cents on public transit. In all of Canada, there are about 8 million private cars but there are only 8800 vehicles in the entire public transit fleet.

I have asked my ministry -- as I have asked others involved in urban transportation -- to look at the economics of public transit versus the private automobile. I believe that, to redirect

the personal transportation patterns of Canadians, we have to have reference to a cost-benefit comparison of both methods of transportation. And it has to be a comparison that looks at not just the direct costs involved but also at other indirect costs -- the hidden costs.

There is another and perhaps even more compelling reason to encourage effective urban transportation systems. Last month, I spoke to the Conference Board in Winnipeg about the trend towards concentration of our population in three large centres and the resulting population imbalance in other areas. I said then that the federal governments was determined to achieve, with the provinces, a more balanced pattern of national growth. I cannot emphasize enough how much effective transportation systems can help in achieving that goal.

If we are to draw off some of the growth from the largest centres, it follows that we must stimulate growth in those centres which can absorb it. But to achieve either of these we must ensure that there are adequate transportation facilities to serve the needs of new industry and increased population and at the same time, ensure that the transportation system is flexible enough to allow people to work in one area and live in another.

It is clear and has been for some time that we must attract more people to public transit -- not because it would be nice but because it is essential to the future of our cities.

I think it is recognized, at the same time, that encouraging people to use public transit is no easy task.

The private automobile is the benchmark for judging public transportation acceptability, at least in North America. The provision of a bare minimum of public transportation is not an option if we acknowledge that we have to compete in a market place dominated by habitual automobile users.

The urban transportation user is looking for more than the traditional bus ride. He wants a number of his needs satisfied. Speed. Efficiency. Cleanliness. Economy. Dependability. Regularity. Safety. Attractive, pleasant vehicles. And all that for the least possible bite out of his tax dollar.

It is going to take a lot of encouragement to convert the automobile addict to the righteous path of public transportation -- in spite of the threats posed by energy and environmental factors.

However, I think it can be done -- with vigorous government policies and with innovations in vehicles and systems from the transportation industry.

What we have to do in Canada is to meet consumer expectations in the context of a federal state with three levels of government. That situation calls for responsive policies and a great deal of intergovernmental cooperation and consultation.

Traditionally, the municipalities have looked to the provinces for assistance in the development of urban transit systems. The provinces do have primary jurisdiction in the field. But there is now so much at stake and the financial considerations involved are so great that a more direct role for the federal government seems to be emerging.

This, of course does not mean that the provinces have in any way abdicated any of their responsibility for urban transit. On the contrary, I think the work being done by a number of provinces is very encouraging. All of the larger provinces now have financial assistance plans.

Ontario, for example, is now spending about \$135 million per year to pay 75% of the capital costs and 50% of the operating deficits of municipal transit systems. At the same time the GO Transit system has been a success and in many ways has dispelled some of the more prevalent urban transit myths. The GO system is interesting too in that it uses government resources and requirements together with industry management and facilities. The success of the formula is indicated I think by the current expansion of the system.

Quebec also pays a substantial portion of the capital and operating costs of its municipal transit systems and Alberta has now announced a transit support program to provide \$102 million over six years.

Finally, British Columbia has, I think, made a basic decision concerning urban transit in its change of emphasis from road construction to the support of urban transit systems.

The federal government for its part has supported the development of urban transit systems and this kind of support will continue. We have in the past provided financial assistance for studies, industrial support programs, transportation research and development and participation in demonstration projects. This kind of assistance has normally been provided



either by the Department of Transport, through the Transportation Development Agency or through Industry, Trade and Commerce, the Canadian Transport Commission and my Ministry.

But in the past few years, the federal government has been taking a much more active role in providing support to all levels of government.

One example is the Railway Relocation and Crossing Act. Both Canada and the United States used the railway to develop the national transportation and communications links which were needed so desperately in the late 19th century. And, for a long time, railways contributed to the prosperity and vitality of the commercial and industrial hearts of our cities.

Time has overtaken that historic relationship. Railway tracks, yards, and other facilities in many cases now constitute serious obstacles to urban development and redevelopment and are a source of pollution and urban ugliness.

The Act, which became law on June 1 of last year gives the federal government the power to order the relocation of railway lines and facilities where they constitute such an impediment.

This measure is being implemented in consultation with the provinces to ensure their priorities and urban regional strategies are taken into account.

The Act is in many ways a land use measure. But it is also a transportation measure. Municipalities proposing a railway



relocation scheme must submit an acceptable urban development plan and urban transportation plan before federal support is forthcoming.

Land freed by railway relocation can be used for housing, for green spaces, for recreation areas, for rapid transit corridors, or a mix of all these. And the juxtaposition of urban development and urban transportation plans gives the kind of land use-transportation relationship which is so necessary at the urban regional level if urban sprawl is to be arrested and urban growth managed effectively.

We are also creating a National Urban Transportation Development Corporation. This agency was first proposed at our second national tri-level governmental conference on urban affairs. The Corporation is to be a partnership between the federal government and the provinces -- and the federal government will not be a majority shareholder. It will be a venture operated by the federal and provincial governments, and responsible to them, on behalf of all Canadians.

We have been consulting with the provinces for some time on the details of setting up this Corporation. Now, we are well into negotiations on the role of the agency and what it is to do.

Spin-off, in terms of research and development, and the strengthening and expansion of our domestic hardware and software transportation industries is an essential objective. This is of particular importance in a country with a widely dispersed population and a huge land mass to contend with.

The Corporation will be a national agency to marshall our scientific and industrial resources to the task of meeting most of Canada's needs in public transportation. It is to coordinate the research, development, promotion and marketing of systems and their components for a domestic market estimated conservatively at five billion dollars over the next 20 years.

It will also enable Canada and Canadian industry to compete successfully in foreign markets, particularly those which share our climatic conditions and consumer orientation.

In addition to these two programs, there are other fiscal initiatives that the federal government has taken in support of urban transit.

The 12% sales tax on public transit vehicles has been removed. This measure alone will spare the municipalities and the provinces an expenditure of about 15 million dollars a year.

Finally, the excise tax on private automobiles weighing over 4500 lbs. has been increased to discourage the more extravagant energy consumption that is necessary with the larger, more luxurious kinds of cars. This may well add a degree of stimulus for public transit.

I think all these measures are important not only for their direct benefits but also because they have indicated to the provinces and the municipalities that the federal government is indeed willing to help.

But, at the same time, I believe that there have to be certain ground rules for any federal involvement in urban transit. I do not think these ground rules need be seen as restrictions but rather as objectives for any program requiring federal involvement. And the ground rules or principles must be such that they protect, not only the rights of the provinces and municipalities, but also be responsive to the needs of the consumer as well as protect the quality of urban life and the urban environment.

Briefly, these principles are:

1. Urban transportation policies must take account of other urban objectives. It seems unreasonable to me that today, with the interdependency of so many things, some groups still insist that transportation in urban areas can be looked at in a vacuum - in isolation from other factors in the urban mix. Any federal involvement in urban transportation, I think, must consider national and regional growth strategies as well as any industrial development strategies and other social, economic, environmental and land use factors. To do otherwise would seem to me to be forgetting that the very nature of a city is a collection of a large number of interdependent roles and functions.

2. Any federal action in urban transportation must be coordinated both within the many components of the federal government and, at the same time, with the other levels of government in our federal system. The complexity of urban

transportation is such that joint, coordinated action between levels of government is necessary if sensible and economically efficient solutions are to be developed and applied. For example there are approximately 40 federal government programs that could have a potential impact on Canada's urban areas. When these programs are applied, this impact must be realized and assessed so that the program could be coordinated with others to direct the impact to the benefit of the city as a whole.

3. Federal installations and facilities should conform to local intentions and plans. Primary responsibility to plan for urban form and the location of urban activities rests with local government, as delegated by each province. For its part, the federal government is determined that, as far as is practicable, its installations conform to local intentions and local needs.

4. Regional and local differences in transportation requirements have to be recognized. Urban problems vary across the country. Federal transportation policies must be directed to those urban areas where federal participation is both useful and appropriate, bearing in mind the need for regional balance in federal programs, the need to encourage industry in the economically deprived or remote areas, and to achieve a deconcentration of urban population and opportunities.

5. Transportation policy has to take account of the needs of all Canadians. Disadvantaged Canadians need access to

public services even more than others. It may be appropriate to invest in transportation facilities for this reason even though, in this case, the costs may outstrip revenues. The social costs of inaction would be far higher than any action to recognize the needs of the disabled.

Let me say that I have no doubt that, with all levels of government working together and with opportunities for individual action in the decision-making process, Canada's cities can solve their urban transportation problems. And they can be solved in a way that will make our cities even better places to live.

The innovative capacity of our industry is second to none and we have the financial and management resources to get the job done.

Recently when I was visiting several countries in Europe to see their approach to urban problems, I was really tremendously impressed by the innovation some cities have shown in tackling urban transit problems. Many of their approaches may be applicable here or, at least, may serve as the bases for specifically Canadian approaches.

In Amsterdam, for example, they have begun an electric car network for use in the downtown core of the city. The vehicles are small, light and ideally suited to congested urban areas. Because they are electric, they cannot contribute to air



pollution and yet offer the same convenience as the private car and certainly much more flexibility than would be possible through public transit.

In Stockholm, they have instituted a travel card system that offers the public transit user significant savings over the old system of paying for each trip. Customers can buy the card at a reduced rate and, in return, have unlimited trips on the public transit system during the life of the card. I understand that a similar system is now operating in Winnipeg. It seems to me that this kind of system would go a long way to increasing ridership on public transit and reducing the dependence on the private car.

I think we can learn from these countries and others. I think we have to. And we will have an opportunity to learn at Habitat: The United Nations Conference on Human Settlements opening in Vancouver in June of 1976. The conference will offer all nations the chance to learn from each other and to put what they have learned into practice at home. Canada has much to learn just as we have a great deal to share with others. And it is as true in transportation as it is in housing. There are no losers in a free exchange of information.

Throughout Canada's history, transportation has been important to the survival of this nation. This is as true today as it was in 1873. The decisions we make about urban transit systems today have the potential to affect the quality of life

in our cities for years to come. We have to make those decisions wisely. And we must make them openly so those who are most affected by the decision can have a voice in making it.

Here in Toronto, I think we have made a start on what could be a model urban Transit system.

The fate of urban transit will be decided in cities like Toronto. And it is in those cities that all governments -- and organizations like the Traffic conference -- should work together to show what really can be done.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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## NOTES FOR AN ADDRESS

BY

HON. BARNEY DANSON, PC, M.P.

MINISTER OF STATE FOR URBAN AFFAIRS

ON RECEIVING THE

LEAGUE FOR HUMAN RIGHTS FAMILY OF MAN AWARD

ROYAL YORK HOTEL, TORONTO

THURSDAY, MAY 22, 1975



CHECK AGAINST DELIVERY

FOR IMMEDIATE RELEASE.





THE PREVIOUS RECIPIENTS OF THE FAMILY OF MAN AWARD HAVE BEEN MEN OF GREAT DISTINCTION - MEN OF BOTH NATIONAL AND INTERNATIONAL STATURE WHO HAVE MADE SIGNIFICANT CONTRIBUTIONS TO OUR SOCIETY. I MUST SAY THAT I FEEL SOMETHING LIKE AN INTRUDER. BUT I WOULD BE LESS THAN HUMAN IF I WERE NOT BOTH FLATTERED AND GRATEFUL; GRATEFUL TO THE LEAGUE FOR HUMAN RIGHTS AND GRATEFUL TO SO MANY FRIENDS WHO HAVE JOINED WITH THE LEAGUE TONIGHT TO RE-AFFIRM OUR COMMITMENT TO THE RIGHTS OF ALL MANKIND; TO INDIVIDUAL LIBERTY, TO THE RIGHT OF FREE EXPRESSION; TO RESPECT FOR OUR FELLOW BEINGS, REGARDLESS OF OUR INDIVIDUAL OR COLLECTIVE DIFFERENCES.

WHILE THE GENESIS OF THE LEAGUE IS FOUND IN THE B'NAI B'RITH, A JEWISH FRATERNAL AND COMMUNITY ORGANIZATION, ITS COMMITMENT IS UNIVERSAL. IT REFLECTS THE DEEP AND TRADITIONAL COMMITMENT OF JUDAISM, AS I KNOW IT, WHICH COMPELS ALL JEWS TO REVERE THE RIGHTS AND DIGNITY OF ALL MANKIND REGARDLESS OF ORIGIN. IT IS NOT ONLY A REFLECTION OF OUR FAITH BUT OF OUR EXPERIENCE THROUGHOUT THE AGES, IT IS, PERHAPS, UNIQUE BUT BY NO MEANS EXCLUSIVE.

INDEED, IT WOULD NOT BE IN KEEPING WITH OUR TRADITION NOR ACCEPTABLE TO ITS INTEGRITY IF WE WERE TO ASSUME THAT OUR EXPERIENCE IMPLIED A SPECIAL STATUS. EACH AND EVERY INTRUSION ON THE RIGHTS OF ANY IS EQUALLY IMPORTANT, FOR WHEN THE FULL EXPRESSION OF ANY COMPONENT OF THE HUMAN FAMILY IS RESTRICTED, THE RIGHTS OF ALL ARE IMPAIRED.

IT WOULD BE UNNATURAL IF JEWS OR UKRAINIANS, BLACKS OR MUSLIMS, OR ANY OTHER GROUP WERE NOT ESPECIALLY ALERT TO PREJUDICE OR THE INFRINGEMENT OF THEIR RIGHTS AND TO SEEK BOTH JUSTICE AND UNDERSTANDING. BY THE SAME TOKEN, EACH MUST BE DILIGENT IN THEIR SUPPORT FOR OTHERS. IT IS THIS MUTUAL UNDERSTANDING - MORE THAN THAT--A MUTUAL RESPECT - WHICH IS ESSENTIAL IF THE HIGHEST INSTINCTS AND ASPIRATIONS OF HUMANITY ARE TO BE PRESERVED ... IF THE MOTIVATION FOR THE DEDICATED WORK OF THE LEAGUE FOR HUMAN RIGHTS IS TO CONTINUE TO BE FRUITFUL.

WE CANADIANS PRIDE OURSELVES ON OUR TOLERANCE. OUR NATION HAS BEEN ENRICHED BY OUR DIVERSITY. MANY CULTURES ENRICHING ONE ANOTHER, GIVING OUR SOCIETY A VITALITY IN WHICH WE TAKE SPECIAL PRIDE. WE HAVE NOT SOUGHT THE MELTING POT BUT HAVE EMBRACED THE

CULTURAL MOSAIC. BUT IT HAS NOT ALWAYS BEEN WITHOUT TENSION AND I FEAR THAT THESE TENSIONS ARE NOT BEHIND US. WE HAVE NO CAUSE FOR SELF-RIGHTEOUSNESS OR COMPLACENCY.

IN THE TORONTO IN WHICH I GREW UP, THE PROBLEMS WERE LESS COMPLEX, THE DIFFERENCES EASIER TO IDENTIFY, THE PREJUDICE MORE OVERT. THE PAST TWO OR THREE DECADES HAVE SEEN LIGHT YEARS OF CHANGE IN THE STATUS OF MINORITY GROUPS AND IN ATTITUDES TOWARDS THEM. MULTICULTURALISM HAS BEEN ACCEPTED AS WELL AS INSTITUTIONALIZED AND SANCTIFIED BY GOVERNMENTS. WE HAVE HELD OURSELVES UP AS A MODEL FOR OTHERS AND RIGHTEOUSLY, OR SELF-RIGHTEOUSLY, CONDEMNED OTHERS WHO DID NOT MIRROR OUR OWN EXAMPLE.

WE ABSORBED SUCCESSIVE WAVES OF DIFFERENT IMMIGRATION - AT TIMES WITH TENSION OF VARYING DEGREES BUT ULTIMATELY WITH RELATIVE HARMONY. TODAY, THE WORLD IS FAR MORE COMPLEX. COMMUNICATIONS AND TRAVEL ARE MORE EFFICIENT AND AVAILABLE TO A MUCH BROADER SPECTRUM OF WORLD SOCIETY. NOT ONLY DO WE KNOW WHAT IS GOING ON IN FORMERLY REMOTE COUNTRIES, BUT THEY KNOW WHAT LIFE IS LIKE HERE. THEY NATURALLY

FIND OUR RICHNESS, OUR SPACE, OUR FREE SOCIETY  
ATTRACTIVE. IN A SHRINKING WORLD, WE CANNOT REMAIN  
ISOLATED AND SURVIVE.

THERE ARE THOSE IN OUR SOCIETY WHO FIND THIS  
ASTONISHING AND RESENT IT. THE FLAMES OF RACISM  
ARE EVIDENT AROUND US AND WE ARE NOT ALWAYS RESPONDING  
WITH THE TOLERANCE OUR SELF-IMAGE IMPLIES. I DON'T  
SUGGEST THAT DIFFERENCES DON'T EXIST, THAT INTEGRATION  
IS ALWAYS EASY, FOR IT IS NOT EASY. BECAUSE CANADIANS  
SUFFER FROM THE SAME FAILINGS AS OTHERS, THOSE THAT  
CARE MUST BE EVER MORE CONSCIOUS AND VIGILANT TO MAKE  
CERTAIN THAT WE ARE NOT ONLY TOLERANT BUT ACCEPTING,  
AND THUS ADD TO OUR OWN EXPERIENCE AND BREADTH.

WHERE WE SEE DIFFERENCE, WHERE WE ARE PERPLEXED BY  
IT, IT IS VITAL THAT WE REACH OUT AND TOUCH AND BE  
TOUCHED BY THOSE WHO ARE DIFFERENT AND WHOM WE MAY NOT  
FULLY UNDERSTAND. TO REACH INSIDE THE OTHER PERSON'S  
SKIN, TO LOOK INTO HIS HEART, AND UNDERSTAND HIS  
MOTIVATIONS AND FRUSTRATIONS. ALMOST ALWAYS, WE  
WILL FIND A RECIPROCAL PROBING AND UNDERSTANDING,  
RAISING HUMAN RELATIONS TO THE LEVEL WHICH EVOKES



THE RESPECT AND MUTUAL AFFECTION WHICH GIVES OUR LIVES A FURTHER DIMENSION -- THE EXTRA DIMENSION OUR LIFE CAN HAVE WHEN WE ARE SECURE IN OUR OWN FAITH AND CULTURE AND YET CAN LIVE FULLY WITH OTHERS AND REVEL IN THE MAINSTREAM OF OUR DIVERSE SOCIETY. ONLY IN PROVIDING DIGNITY FOR OTHERS CAN WE ACHIEVE DIGNITY FOR OURSELVES, AS INDIVIDUALS AND AS A SOCIETY. I USE 'DIGNITY' HERE, NOT IN THE PRETENTIOUS SENSE, BUT THE TYPE OF INNER DIGNITY WHICH IS THE RESULT OF THE KNOWLEDGE THAT ONE'S MOTIVES AND ACTIONS COMMAND RESPECT AND, MOST OF ALL, SELF-RESPECT. THE DIGNITY WHICH ALLOWS US TO HOLD OUR HEADS HIGH, KNOWING THAT OUR SOULS ARE CLEAN ...OR RECOGNIZING IT WHEN THEY ARE NOT.

WE CANNOT HAVE A DIGNIFIED SOCIETY WHEN WE TREAT OTHERS DIFFERENTLY BECAUSE OF THEIR PIGMENTATION OR BECAUSE OF THEIR FAITH OR BECAUSE OF PERFECTLY VALID CULTURAL DIFFERENCES. NOR CAN WE HAVE A DIGNIFIED SOCIETY IN WHICH WE ENJOY ONE OF THE HIGHEST AVERAGE STANDARDS OF LIVING BUT INCLUDE IN THAT AVERAGE SOCIALLY OR ECONOMICALLY DEPRIVED ELEMENTS, INCLUDING OUR NATIVE CANADIANS, WHILE



MANY OF US LUXURIATE IN AN AFFLUENT STANDARD WHICH IS OFTEN LAVISH AND FREQUENTLY SELF-INDULGENT; OR WHEN EITHER OF THE TWO PRINCIPAL LANGUAGE GROUPS IN OUR NATION MUST FIGHT FOR ITS ABSOLUTE RIGHT TO SIMPLY COMMUNICATE AND WORK IN ITS OWN LANGUAGE WITH ITS OWN LANGUAGE, WITH ITS OWN GOVERNMENT, LET ALONE FULLY EXPRESS ITSELF IN CANADIAN SOCIETY; WHEN WE MUST FEAR OLD AGE BECAUSE WE STILL FAIL TO ADEQUATELY PROVIDE SECURITY AND DIGNITY TO A LARGE NUMBER WHO NO LONGER POSSESS THE FACULTIES OR SHEER STAMINA TO PROVIDE IT FOR THEMSELVES; OR, IN MY OWN AREA OF RESPONSIBILITY, WHEN 107,000 FAMILIES WITH INCOMES UNDER \$3,000 YEARLY PAY OVER HALF OF IT IN RENT.

NOR CAN WE HAVE A DIGNIFIED SOCIETY WHEN THE STEREOTYPE OF WOMAN'S ROLE IS ALLOWED TO PERSIST, TO PERMIT THE INDIGNITY OF WOMEN RELEGATED TO LESS THAN A FULL EXPRESSION OF THEIR PERSONALITIES AND ABUNDANT TALENTS. AND WE CAN'T HAVE A DIGNIFIED SOCIETY WHERE OUR ULTIMATE RESPONSE TO A TWISTED MIND OR WARPED PERSONALITY IS THE HANGMAN'S ROPE.

WE HAVE MUCH TO BE GRATEFUL FOR IN THIS COUNTRY  
AND IN THIS CITY, BUT WE HAVE A LONG WAY - A VERY  
LONG WAY - STILL TO GO. IN THE WHOLE OF HUMAN  
SOCIETY, A LONGER WAY STILL. AND IF WE DON'T  
CONSTANTLY STRIVE TO ACHIEVE A BETTER BALANCE, OUR  
CHERISHED SOCIETY, OUR OWN WELL BEING, WILL CRUMBLE  
AND DISAPPEAR.

WHILE IT IS DIFFICULT TO ISOLATE THE MOTIVES FOR  
ENTERING PUBLIC LIFE, FOR THERE ARE MANY, THE  
ACHIEVEMENT OF A DIGNIFIED SOCIETY MUST BE AN IMPORTANT  
ONE. WE, ESPECIALLY ME, ARE NOT ALWAYS DIGNIFIED.  
INDEED, WE ARE FREQUENTLY TERRIBLY UNDIGNIFIED,  
BUT WE SHOULDN'T LET THE DIFFICULTY OF ACHIEVING  
OUR IDEALS DIMINISH, OUR WILL TO ASPIRE TO THEM.

I'M AN OPTIMIST, HOWEVER. I THINK WE HAVE AND ARE  
MAKING CONSIDERABLE PROGRESS IN THE CONDITION OF  
HUMAN SOCIETY. AT TIMES, IT SEEMS MUCH WORSE  
BECAUSE IN THE PAST WE WERE UNAWARE AND, WHAT IS  
WORSE STILL, WERE MUCH LESS CONCERNED.

IN THE SAME TORONTO OF MY BOYHOOD, TO WHICH I  
REFERRED EARLIER, IT WAS NOT UNCOMMON FOR THOSE  
WHO WERE OF OTHER THAN BRITISH IN ORIGIN TO DISCARD

OR MASQUE THEIR OWN CULTURE. THERE WAS THE FEAR OF APPEARING DIFFERENT FROM THE DOMINANT CULTURE. THOSE WHO HAD A PERFECTLY NATURAL AFFECTION FOR THE LAND FROM WHICH THEY OR THEIR PARENTS OR GRANDPARENTS CAME WERE OFTEN SUSPECTED OF HAVING DUAL LOYALTIES. DUAL LOYALTIES ARE SOMETHING WE ALL LIVE WITH ALL OF THE TIME, AND WE NEED NOT APOLOGISE FOR THEM. THEY ARE NOT SO MUCH DUAL AS DIFFERENT. WE MIGHT HAVE A DEEP AFFECTION FOR TORONTO IN A SPECIAL WAY, THAT NO NON-TORONTONIAN EVER SEEMS TO UNDERSTAND, BUT WE DON'T CARE FOR ONTARIO ANY LESS AND OUR LOVE FOR CANADA REMAINS UNDIMINISHED. WE DON'T CHOOSE BETWEEN OUR LOVE FOR OUR CHILDREN AS OPPOSED TO OUR WIVES OR HUSBANDS ANY MORE THAN WE DO BETWEEN OUR WIVES AND OUR PARENTS. THEY ARE ALL DEEP BUT DIFFERENT IN TEXTURE.

IT SHOULD CERTAINLY NOT SURPRISE ONE TO FIND A CANADIAN OF SCOTTISH ORIGIN HAVING A DEEP ATTACHMENT TO SCOTLAND. FOR ITALIANS OR GERMANS OR JAMAICANS TO HAVE AFFECTION AND CONCERN FOR THE LANDS WHERE THEY MAY STILL HAVE FAMILIES IS NO MORE SURPRISING. FOR JEWS TO HAVE AN AFFECTION FOR ISRAEL IS DIFFERENT ONLY IN THE FRAGILITY OF ITS EXISTENCE, A HOMELAND ENSHRINED

IN OUR FAITH AND REVIVED IN OUR TIME. THE DEPTH OR INTENSITY OF PERSONAL RELATIONSHIPS MAY VARY BUT ITS ULTIMATE SECURITY IS SOMETHING THAT IS ABSOLUTELY VITAL TO ALL JEWS. ITS REALITY AND ITS SYMBOLISM IS DEEPLY MEANINGFUL, NOT ONLY TO ISRAELIS BUT TO JEWS WHO CONSIDER SUPPORT FOR IT TO BE A CRITICAL INDICATION THAT OTHERS, TOO, ARE SENSITIVE TO THE NEED FOR TANGIBLE EVIDENCE OF CONCERN FOR JEWISH SURVIVAL AND SURVIVAL OF JEWS AS INDIVIDUALS. THE NAZI HOLOCAUST IS STILL TOO FRESH IN JEWISH MEMORIES FOR COMPLACENCY.

AND VITAL TO JEWISH SURVIVAL AND AN ACCEPTABLE SETTLEMENT IN THE MIDDLE EAST IS CONCERN FOR ALL OF THE PEOPLE AFFECTED. IT WOULD NOT BE CONSISTENT WITH OUR TRADITION, WITH OUR COMMITMENT TO HUMAN RIGHTS, TO PERMIT A SETTLEMENT THAT WOULD NOT SEE THE REAL CONCERNS OF THE PALESTINIAN PEOPLE RESOLVED. HUMAN RIGHTS AND CIVIL LIBERTIES MUST BE RESPECTED BY ALL PARTIES.

AN ACCEPTABLE SOLUTION CANNOT BE ACHIEVED NOR THE RIGHTS OF PALESTINIANS FOSTERED BY THOSE WHO USE TERRORISM TO ESTABLISH THEIR LEADERSHIP, NOR WILL THEIR INTERESTS BE ADVANCED BY ANY GROUPS OF INDIVIDUALS



WHO CONTINUE TO BE DEDICATED TO THE ANNIHILATION OF  
OF ISRAEL AS A SOVEREIGN STATE.

IN SPITE OF THE COMPOSITION OF WORLD BODIES-- IN  
SPITE OF THE NICETIES OF INTERNATIONAL PROTOCOL, WHICH  
CANADA OBSERVES, THOSE WHO PRACTICE TERRORISM AS A  
POLITICAL INSTRUMENT CAN NEVER BE ACCEPTABLE TO  
CANADIANS OR THEIR GOVERNMENT. NOR CAN THOSE WHO  
CONDONE TERRORIST ACTIVITY. NOR WILL CANADA BE  
INTIMIDATED BY COMMERCIAL PRACTICES WHICH DEMAND OR  
IMPLY DISCRIMINATION UNACCEPTABLE TO AND INCONSISTENT  
WITH OUR OWN STANDARDS OF CONDUCT.

I WOULD LIKE TO REINFORCE THIS STATEMENT BY QUOTING  
A RESPONSE BY THE PRIME MINISTER TO A QUESTION IN THE  
HOUSE OF COMMONS ON MAY 8 REGARDING THE "ARAB  
BOYCOTT" CLAUSE AS IT APPLIES TO THE EXPORT DEVELOPMENT  
CORPORATION.

THE PRIME MINISTER REPLIED:

"I THINK IT IS SUFFICIENT TO SAY THAT THIS TYPE  
OF PRACTICE IS ALIEN TO EVERYTHING THE GOVERNMENT  
STANDS FOR AND, INDEED, WHAT IN GENERAL, CANADIAN  
ETHICS STAND FOR ..."



A SETTLEMENT IN THE MIDDLE EAST CAN ONLY BE ACCEPTABLE AND ENDURING WHEN THE MISTRUST AND BITTERNESS IS REPLACED BY MUTUAL ACCEPTANCE AND REGOGNITION, RESPECT AND ULTIMATELY, MUTUAL DEPENDENCE. IT MAY SEEM A LONG WAY OFF. INDEED, IT WOULD SEEM TO REQUIRE A MIRACLE, BUT ISRAELIS HAVE BEEN RAISED ON A TRADITION OF MIRACLES AND THE MIRACLE OF PEACE AND HARMONY IS NOT SO RIDICULOUS THAT THEY SHOULD FORSAKE IT NOR SHOULD ANY OF US WHO CARE, PEACE AND HARMONY AND JUSTICE FOR ARAB AND JEW, ARE INDIVISIBLE. ULTIMATELY, ONE CANNOT BE ACHIEVED WITHOUT THE OTHER. OBVIOUSLY A SETTLEMENT IN THE MIDDLE EAST CANNOT BECOME A REALITY UNLESS THEN ARAB NATIONS ACCEPT THE REALITY OF OF ISRAEL AND ITS LEGITIMACY AS A STATE AND AS A NEIGHBOUR.

AS MY COLLEAGUE, THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS SAID AT THE UNITED NATIONS GENERAL ASSEMBLY, NOVEMBER 20, 1974:

"WE CONSIDER IT ESSENTIAL TO ANY LASTING AND COMPREHENSIVE SETTLEMENT THAT THERE BE RESPECT FOR THE SOVEREIGNTY, THE TERRITORIAL INTEGRITY AND THE POLITICAL INDEPENDENCE OF ISRAEL AND OF EVERY OTHER

STATE IN THE MIDDLE EAST. WE REMAIN OPPOSED TO ANY ATTEMPT TO CHALLENGE THE RIGHT OF ISRAEL OR THE RIGHT OF ANY OTHER STATE IN THE REGION TO LIVE IN PEACE WITHIN SECURE AND RECOGNIZED BOUNDARIES FREE FROM THREAT AND ACTS OF FORCE".

"BUT WE ARE CONVINCED THAT THESE CONCERNS MUST BE, AND REALISTICALLY CAN ONLY BE, PURSUED BY NON-VIOLENT MEANS. CANADA CONDEMNS VIGOROUSLY TERRORISM IN WHATEVER FORM AND FROM WHATEVER QUARTER IT MAY OCCUR. IT HAS NO PLACE IN ANY EFFORTS TO RESOLVE THE DIFFERENCES BETWEEN THE PARTIES TO THIS DISPUTE. NO ONE WHO SEEKS A ROLE IN A NEGOTIATED SETTLEMENT NO MATTER HOW LEGITIMATE HIS GRIEVANCES ARE OR HOW DEEP HIS FRUSTRATIONS MAY BE CAN EXPECT TO BE ACCEPTED AT THE NEGOTIATING TABLE UNLESS HE SHEDS VIOLENCE IN FAVOUR OF DIALOGUE. MEANINGFUL DIALOGUE DEPENDS UPON FULL RECOGNITION OF THE EXISTENCE OF ISRAEL AND ITS RIGHT TO SURVIVE."

PASSIVE, THOUGH PURE RESPONSIVENESS CANNOT BE ENOUGH, BECAUSE OF OUR POSITION IN WORLD COUNCILS, BECAUSE WE ARE A RESPECTED NATION BUT NOT A MAJOR POWER, CANADA CAN ASSUME MORAL LEADERSHIP ALONG WITH OTHER MIDDLE POWERS. A LEADERSHIP THAT COMMANDS THE RESPECT OF ALL NATIONS AND ALL PEOPLE WHO SEEK JUSTICE AND TO WHICH THE FOUNDERS OF THE UNITED NATIONS WERE DEDICATED.

WE MUST ALWAYS BE IN THE FOREFRONT OF THOSE NATIONS WHO STAND UP AND SPEAK OUT WHENEVER THOSE PRINCIPLES ARE IN DANGER OF BEING COMPROMISED. ONLY WITH SUCH LEADERSHIP CAN THE U.N. FULFILL ITS BASIC MANDATE AND REFLECT ITS BASIC MORAL MOTIVATION.

ALL OF WHAT I HAVE BEEN TRYING TO SAY IS FUNDAMENTAL TO A SOCIETY WHICH IS TO DEVELOP IN A CIVILIZED MANNER. MY GREATEST SOURCE OF ENCOURAGEMENT IS A GENERATION FOLLOWING FAST ON OUR HEELS THAT IS GIVING EVIDENCE THAT THE CHRISTIAN ETHIC OF LOVE AND THE JEWISH ETHIC OF JUSTICE, BOTH OF WHICH ARE SHARED IN OUR TRADITIONS AND WHICH TOGETHER PROVIDE THE BASIS FOR OUR JUDEO-CHRISTIAN VALUES, ARE THEIR GREATEST CONCERN. A VALUE SENSE THAT MAKES ME BELIEVE THAT OUR GENERATION WAS NOT ALL WRONG WHEN WE PRODUCED A NEW GENERATION THAT VENERATES THESE HIGH VALUES. WE FACED DIFFERENT TIMES AND DIFFERENT CHALLENGES. WE MADE SOME DREADFUL MISTAKES AND THEY, TOO, WILL MAKE THEIRS. THE UPWARD MOBILITY WHICH MOTIVATED OUR GENERATION IS BEING REPLACED BY A GREATER DESIRE TO FIND CAREERS THAT ARE SATISFYING RATHER THAN REMUNERATIVE; A LIFESTYLE WHICH REJECTS PRETENSE AND

AND A PHILOSOPHY THAT ABHORS INTOLERANCE, INJUSTICE AND BIGOTRY; A RECOGNITION THAT WE ARE INDEED OUR BROTHER'S KEEPER, THAT EACH PRODUCT OF CREATION IS PRECIOUS.

IT IS A PECULIAR AND HOPEFUL SIGN OF MAN'S NATURE THAT WE WISH TO LEAVE THIS WORLD A BETTER PLACE THAN WE FOUND IT. TO PASS ON TO FUTURE GENERATIONS A WORLD MORE GENTLE, MORE BEAUTIFUL IN THE FULLEST SENSE OF BEAUTY, A WORLD WHERE A GREATER DEGREE OF HUMAN DIGNITY IS ACHIEVED. LIKE MOST OF YOU WITH CHILDREN, I SEE A GENERATION, NOT PERFECT, NOT WITHOUT ANGUISH, NOT WITHOUT DEEP TROUBLES, BUT A GENERATION FOR WHICH WE HAVE STRIVED, STRIVING FOR HIGHER GOALS, WITH CLEARER EYES AND A DEGREE OF HONESTY AND CLEAN-NESS MEASURED DIFFERENTLY AND BETTER THAN OURS. I FEEL THAT IN THAT SENSE WE HAVE HELPED BUILD A BETTER WORLD WHICH THEY WILL BUILD BETTER STILL.

FOR THIS GENERATION AND FOR FRIENDS LIKE YOU WHO HAVE JOINED ME TONIGHT, FOR THE HERITAGE OF MY PARENTS, AND ESPECIALLY TO MY GREATEST SOURCE OF INSPIRATION -- MY BEAUTIFUL WIFE AND CHILDREN, WHOM I NOT ONLY LOVE DEEPLY BUT RESPECT GREATLY -- I AM GRATEFUL INDEED.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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Notes for an address  
to the 38th Annual Conference of  
the Canadian Federation of Mayors  
and Municipalities

London, Ontario

June 2, 1975

*Statement - June 2, 1975*







Last month I announced to the Conference Board in Winnipeg that the government of Canada was launching a series of consultations with other governments and the public on a national demographic policy and a Canadian Urban Strategy. Today, I am going to speak to you about that urban strategy and what I feel should be the place of the three levels of government in creating it.

As some of you may know, I am concerned about what current trends seem to indicate will be Canada's urban future.

I am aware, as I know you are, that trends are not predictions -- they are not infallible. But they do provide us with a reasonable picture of the direction in which we as a society are going. They give us an opportunity to judge whether we like the direction. And if we don't, they can give us the time to find and to decide on ways and means to shift or alter our national course.

Let me review briefly what the key urban trends appear to be.

- By the turn of the century, Canada's population will total somewhere between 28 and 32 million people;
- Canada's urban population is increasing faster than Canada's overall population;
- the pronounced imbalances from province to province and from region to region will continue to grow;
- New population will continue to concentrate in Southern Ontario, the B.C. Lower Mainland, and the Montreal area. These areas, along with the Edmonton-Calgary corridor, perhaps, will continue to grow more

rapidly than their provinces;

- conversely, the trends indicate a continuing decline, absolutely and relatively, in the population and economic strength of most other regions of Canada -- the Atlantic Region, eastern Quebec, northern Ontario, the Prairies, and northern B.C.;

- and they indicate a continuing decline in the number and size and vitality of our smaller communities.

In Winnipeg, I presented these trends in some detail and I stated that I believed that they threatened the character of our nation and the very fabric of Confederation as we know it today.

I recalled that some time ago the Government of Canada had agreed that these trends were not desirable, let alone inevitable. You will recall that at the last National Tri-Level Conference in Edmonton all three levels of government agreed that the trends must be shifted and we agreed to examine ways and means of doing this.

We have done considerable work on this since Edmonton as, I hope, have the provinces and your governments.

- The development of a more nationally balanced pattern of growth;
- The effective management of growth in our major urban regions;
- The maintenance of a livable and exciting environment in our cities;
- And the renewal of the strength and vitality of our smaller communities.

These are objectives that no single level of government

can achieve. These are objectives that will require the cooperative action of all three levels of government, as well as an enlightened private sector and an informed public.

That is why, in Winnipeg, I called for a process of consultation leading to a national consensus on the urban goals we are to pursue and the urban strategies we need to achieve them.

As long ago as your annual meeting in Halifax in 1970, speaking as a private Member of Parliament, I expressed the need for a formal mechanism through which such consultations could take place. I said at that time:

"I would strongly urge a more structured form of tri-level coordination at the political level. It isn't easy, it is fraught with potential difficulties but that doesn't mean it can't work. It won't work if we don't try, and it's well worth a try until we can come up with a better answer."

Since that time we have tried and it is working. Successive ministers of Urban Affairs have worked with you to establish the institution of the tri-level conference. This has been the most innovative, perhaps the most significant, and certainly one of the most hopeful signs in intergovernmental relations of recent years.

After these years, the commitment of the federal government to the tri-level process remains undiminished and, in the coming round of meetings, I want you to know that I will do everything I can to advance the tri-level principle.

I mentioned in Winnipeg that Mr. Andras, Mme Sauvé and I

would soon begin consultation with our provincial counterparts on the interrelated issues of demographic policy, land use policy and on the Canadian Urban Strategy.

I am now able to tell you that these consultations are well under way. My officials have visited all the provinces during the last two months and my own round of discussions will begin this week in Nova Scotia. I hope -- and I will do everything that I can to ensure -- that these federal-provincial consultations will be followed and reinforced by a series of tri-level meetings. I will have a bit more to say about that in a few minutes.

It is a simple fact, and one that we recognize, that Federal objectives, policies and programs -- however well coordinated -- cannot by themselves constitute an effective strategy, any more than can a simple aggregation of all provincial and municipal programs. And that fact alone makes the tri-level process crucial. It is a way to find consensus on the critical issues facing urban Canada and to find the best way to coordinate federal, provincial and municipal programs to tackle those issues.

I believe there are three separate but highly interrelated issues which we must consider together to create the framework for a Canadian urban strategy.

First, no matter how difficult and awkward we may find this task, we must take steps toward a joint articulation of what the future size of Canada's population should be and its rate of growth.

My colleague, Mr. Andras will be dealing with this issue



as coordinating minister for demographic policy discussions, and also in his consultations on the Green Paper on immigration. I know he will want to hear from those of you whose cities are growing very rapidly in many cases largely because of immigration.

The second issue is the appropriate distribution of our future population -- and, consequently, of jobs, wealth and political representation across the country. The process of urbanization will probably continue until the end of the century when, roughly, between 85 and 95% of Canadians will be living in urban centres of one kind or another. Large urban areas will bear the brunt of overall increase in population growth. A few large cities could double or triple in size in that time. And the problems for smaller communities would be no less severe.

I do not want to be misunderstood on this matter of urban growth. There is no question in my mind that, by and large, urbanization in Canada has been and is a good thing.

One mark of a vital society has been the ability to attract people and industry and to provide variety and choice in social, commercial, recreational and cultural facilities and services for its people. It is in these that we find the major benefits of urban growth. Historically, these benefits have accrued through a relatively slow and steady process of change.

But I distinguish, and I believe Canadians should distinguish, between the benefits that can flow from properly managed urban growth and the effects of very rapid and uncoordinated growth. Growth that is too rapid can simply swamp the capacity of a city or town to absorb it in an orderly way.

And this places local governments in the position of having to run faster, tax more heavily, and work day and night simply to maintain an existing standard of services.

The federal government has been on record since the Second National Tri-level Conference as to the kind of role it wished to play in this matter of urban growth management. We said then:

- the exclusive responsibility over municipal institutions rests with the provinces;
- federal policies and programs can be meshed with and support those of the provinces and municipalities;
- this support requires that the provinces and municipalities take the lead in developing regional management strategies;
- until such time as the provincial and municipal governments do develop regional management strategies, the federal government has no effective framework within which to coordinate the delivery of its programs to a region;
- the federal government stands ready to cooperate with and assist provincial and municipal governments in developing such strategies.

Our role is to use those of our resources already functioning in municipalities, responsively in support of the strategies and objectives you have developed and upon which we jointly reach agreement. It is not our intention to impose federal solutions on any province or municipality.

I would like here to recognize that considerable work has been done and is under way in preparing effective management strategies in several of our major urban regions. I would mention

the work that is under way in the Greater Vancouver Regional District, in Regina, in Southern Ontario, in the National Capital Region, in Quebec City and Halifax. No doubt other major centres are also moving in this direction. As I said a moment ago, my Ministry stands ready -- when requested by a province and city -- to assist in this work as much as our resources will permit.

I do not want you to think that the federal government is concerned only with the problems of the largest and most rapidly growing centres. I recognize that stable or declining populations -- especially in an era of rapidly rising costs for municipal services -- limit many small and large local governments in their ability to improve upon, or even maintain, a satisfactory level of services. The special problems in these areas are matters of continuing study in my ministry.

I should add that I find the future of these slow- or no-growth areas especially troubling, given the sometimes disturbing nation-wide trends which are now apparent.

A moment ago I mentioned that the trends would develop only if the factors that contributed to the development of the trend remained the same. These factors are influenced by government policies and there is some recent evidence that the trends are beginning to change. Outmigration from the Maritimes, Quebec and the Prairies is beginning to reverse itself. And, more significantly, so is the movement into our large cities from our smaller cities and towns. More Canadians are opting to stay in the

smaller centres or are choosing to move into them.

If this remains so, it will be most encouraging. It is important for governments at all levels to look at additional measures that might be taken to reinforce whatever trends are emerging in this direction. Among other things we need to look at ways in which we can tailor existing federal and provincial programs to meet the needs of smaller communities and enhance their strength and vitality.

As I have said, the federal government is willing to discuss these matters further in an appropriate intergovernmental forum. I have proposed that they be discussed at a National Tri-level Conference because it is vital that national discussions take place and that all levels of government be a party to them. I would certainly urge their inclusion in regional and provincial tri-level meetings to get the essential feedback to establish a base for a National Tri-level Conference.

The third critical choice that must be addressed by an urban strategy is more qualitative than quantitative. Both of the issue I described earlier -- overall population size and its distribution across Canada -- can be described and, to some extent, measured through statistics. But it may be that the most important issues is the qualitative one: what kind of an urban environment do we want within our cities and towns and how do we achieve it?

However difficult this is, governments can't escape their responsibility here. The way in which our communities develop -- their shape and scale -- is determined increasingly by government policy, and mostly at the municipal level, and properly so, but



also at the provincial and federal level.

You know far better than I that there is hardly a community in Canada that has not undergone a significant transformation in the past 25 years. This process of change will continue in virtually every community at an even more rapid rate over the next 5, 10 and 25 years. The future shape and form of our communities will be determined by the strategy and the policies that we -- the three levels of government -- adopt now. Knowing this, anticipating it, I am sure that we can do far better in the future than we have in the past.

I believe further that the Canadian city falls needlessly short of the mark as the proper environment for the fullest possible development of our people.

This third issue, how best to create a high quality of life in Canadian cities, is an essential partner to the consideration of policies of overall population size and distribution. You, the municipal governments of Canada, are on the leading edge of this issue.

I have proposed for a National Tri-level Conference an agenda which would focus attention and discussion on the trends I have described on their qualitative urban implications and on the strategies and policies needed to deal with them. Your president, Mr. Wolfe, has contributed to and supported this agenda.

As Federal Co-Chairman of the National Tri-level I have said that I would like to see an autumn conference where we could discuss:

- the urban implications of Canadian population growth and



distribution, at which my colleague, Mr. Andras, would participate;

- the cooperative management of metropolitan growth;
- the quality of life in the built urban environment, including that of our smaller communities.

I still believe that such a conference is important, but, in view of the responses from several provinces, I have reluctantly concluded that there will be no NTLC in 1975.

On a more positive note, I want you to know that the federal government is prepared to participate in a series of regional and provincial tri-level conferences on these and related issues in the remaining months of 1975 and in the early part of 1976.

The tri-level co-chairmen, Mr. Wolfe and the Hon. Brian Peckford of Newfoundland and I have agreed to consult with all of the provinces and to attempt to convene several regional and provincial tri-level conferences on the elements of a Canadian Urban Strategy in the hope that they would build toward a third National Tri-level Conference in the spring of 1976. I hope that you, your municipalities and the provinces will support this course of action.

There is a related development in this area that I am sure you will welcome. Most of you are aware, I think, of the problems that any independent body would encounter, working in the field of public finance, in trying to satisfy three levels of government. The Tri-level Task Force on Public Finance was given that most difficult job. I want to commend its chairman, John

Deutsch, for his thoughtful and effective approach to the Task Force's work.

The Task Force, under Dr. Deutsch's able direction, has decided to produce an interim report on public finance in Canada. It will be ready toward the end of this year and I am looking forward to receiving it as I am sure you all are. In view of this, I hope that it will be both possible and desirable to add public finance to the agenda of the next National Tri-level Conference.

I would also like to praise the CFMM Board of Directors and staff for their continued investment of resources in the national issues facing urban Canadians.

I invite your participation and that of the provinces in ensuring that the coming rounds of intergovernmental discussions on a Canadian Urban Strategy will be thorough, productive and lively.

The issues facing us are difficult ones. But they are not insurmountable by any means. Working together, all levels of government and all Canadians can create a better Canada - one where it is not only possible to live well but to live a richer, more satisfying life.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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TEXT PRESENTED TO  
THE CANADIAN FEDERATION OF  
MAYORS AND MUNICIPALITIES

LONDON, ONTARIO.

JUNE 2, 1975.



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Some of the new housing programs made possible by the 1973 amendments to the National Housing Act are creating more opportunities for co-operation among all three levels of government and, particularly, increased municipal involvement.

Our concern is not just with housing, or with housing in the narrow sense.

Our objective is not only to give all Canadians access to good, affordable housing. We have also undertaken that this housing should be located in a safe and satisfying community environment, and that goal can not be achieved without the involvement of the municipal government.

One of the most effective programs for helping to preserve and maintain good places to live is the Neighborhood Improvement Program -- NIP.

The NIP program, after a necessary period of planning and negotiating, is now beginning to have an important impact at the neighborhood level.

There are now well over 100 NIP projects at various stages of development in municipalities all across Canada. About 40 of them are actually beyond the planning stage and into implementation.

All of these projects arose out of federal-provincial agreements reached in 1974. Negotiations for new agreements are well underway in most parts of the country and will be producing another generation of NIP projects.

As these projects develop, the municipalities and the neighborhood residents themselves are becoming more and more involved in their planning and implementation. This grass-roots involvement is, I believe, one of the great strengths of the NIP program.

It is not surprising, of course, as we gain experience with NIP, that we should discover problems we had not anticipated and develop new and better ways of doing things.

I think the essential aims of NIP are now better understood and respected -- to preserve and improve viable urban neighborhoods which may be in danger of destruction and decay.

There was a time when some governments seemed to regard NIP as a general kind of public works program -- a handy way of getting federal money to do any number of odd jobs that needed doing. One result of this misconception was a break-down in communications. When funds

were not forthcoming for purposes which Parliament had never envisaged, there were loud cries of "red tape". Another result was that available NIP funds were spread too thinly, trying to do too many jobs in too many neighborhoods.

Fortunately, I believe it is now well understood that NIP is meant to assist in the development and implementation of a comprehensive plan which will fulfill a wide range of physical, social and recreational needs within the neighborhood. It is not a hit-and-run, paint-and-patch proposition. CMHC now insists that the NIP investment in a neighborhood should not be less than \$100 per capita. We hope it will be substantially more than that but we say nothing significant can be accomplished with any less.

Closely associated with NIP is the Residential Rehabilitation Assistance Program. Its purpose is to help restore run-down houses to acceptable standards of health and safety and to extend their useful life by another 15 years or so. The Federal Government will lend up to \$5,000 for this purpose, at favorable rates, and the first \$2,500 of the loan is forgivable, depending on income. RRAP is available in NIP areas, for non-profit housing projects, wherever they may be, and in areas specially designated by federal-provincial agreement.

It has been three years now since the regulations governing maximum loans, forgiveness rates and eligible incomes were first established. There are some indications that, with the changes in economic circumstances, the program may no longer be meeting the needs of its original clients. All of these conditions are now under review.

Municipalities have the option of administering these loans, at a fee of \$150 a loan, or allowing CMHC to do the job and about half of the municipalities are willing to have CMHC handle this responsibility. I am a little surprised that municipalities should delegate this authority so readily. We are certainly prepared to help communities who don't have adequate resources but, generally speaking, I feel these matters would be much more appropriately dealt with by municipal officials than the CMHC staff.

One of the desirable side-effects of the growth of RRAP has been the introduction or enforcement by many municipalities, for the first time, of maintenance and occupancy by-laws which are a requirement for eligibility.

It has become apparent that the administration of RRAP requires different kinds of skill and knowledge than are required of, say, an inspector of new houses.

Not only is it a different technology but the clients frequently require a good deal of personal counselling and advice. A survey in Winnipeg indicated, for instance, that about 60 per cent of the home-owners applying for RRAP loans had never had a bank account.

An additional problem, in many parts of the country, has been that there is no adequate rehabilitation industry to respond to the growing demand for this kind of service. Large building firms seem to find it unprofitable and there are not enough experienced small firms to handle the volume.

CMHC is considering ways of tackling both of these problems -- helping to develop an efficient and viable rehabilitation industry and assisting in the training and development of municipal officials with the special skills required for the administration of rehabilitation projects.

Another interesting way in which municipalities are becoming more involved in housing situations has been the appearance of municipally-owned non-profit housing corporations. These corporations are eligible for the whole range of federal assistance, with the exception of the start-up grants -- 100 per cent financing and either a 10 per cent capital write-down or a favorable leasing arrangement on the land.



Toronto now has an established non-profit housing corporation. Two others have been incorporated by the City of Vancouver and by the Greater Vancouver Regional District. Ottawa has announced its intention to create one as well as Saint John, N.B. and probably several others.

This is a trend which we approve and encourage. It has the effect of putting the solution of local housing problems more squarely under the control of the municipal government. Where voluntary community organizations tend to concentrate on the needs of elderly people, municipal non-profit corporations have a more varied clientele of families as well as individuals, young and old. They are more inclined, also, to acquire and renovate existing housing rather than building new housing.

I am very much aware, of course, that it is not enough simply to fund these groups and help them get started. It is extremely important that they should be well managed in a way that is sensitive to people's needs and problems.

To increase the supply of skilled managers and to improve their capabilities, CMHC has helped to establish and fund courses for housing managers at a number of Canadian

colleges and universities, including Douglas College in B.C., the Universities of Alberta, Saskatchewan, Winnipeg and Guelph, and others are expected to be started soon particularly in Eastern Canada and the Atlantic Provinces. These courses will produce not only a first crop of graduate managers but, it is hoped, the nucleus of a teaching staff for other institutions. In addition to these formal courses, CMHC has been staging two-day workshops in all regions of the country as an introduction to management techniques.

There are two other federal housing programs that are particularly interesting to municipalities -- involving federal assistance for land assembly and for sewage treatment. I would like to speak for a few minutes about these two programs and bring you up to date on recent developments.

The Federal Government is committed to providing at least \$100 million a year over a five-year period to help with the public assembly of land.

We are offering this assistance in order to promote an orderly and responsible land market and, by ensuring an adequate supply, to push down land prices. At the same time, we want to encourage a high standard of housing and community development.

Now I know very well the kind of problems that municipal councils face in connection with residential development. I know the kind of pressures you are under from provincial governments to accept residential development, in spite of those difficulties. I realize also that the difficulty some municipal governments have in opening up land for housing is one of the reasons -- not the only reason but one of them -- for the current shortage of serviced land in many markets and unacceptably high land prices.

That is why the federal land assembly program includes a number of conditions designed to help municipalities surmount some of these difficulties.

One condition of federal funding for the development of land is that all profits derived from the land must be put back into the project.

This can be in the form of land for open space or community facilities, at no cost to the local government, serviced land for low-income housing, and capital for the erection of community service buildings and the development of recreational lands.

Federal land assembly funds may be used to finance connecting trunk services. Repayment of the principal can be deferred until revenues start coming in. Interest can be deferred on quick-start land for three years if necessary.

In order to have the greatest possible impact on the supply and price of land, we have to plan where and when our funds will be most effective. For that reason, beginning January 1, 1976, land assembly funds will be available only for municipalities who have land development plans and strategies. Now, that does not mean a community development master plan. It just means you should know, and be able to set out, what your total need for serviced land is going to be over the next few years, how much of it will be provided by the private sector and where and when government will be required to assemble and service land to maintain an orderly and stable market.

Among other benefits, these plans will help us to make sure that we have the funds for you when you need them.

The other municipal assistance program that is closely related to the availability of land for housing is the Sewage Treatment Assistance Program. As you know, virtually all of the sewage treatment facilities built in Canada in recent years have been financed and assisted by this program.

It is an important program not only for its effect in improving the environment, but also because it is an extremely useful tool in increasing the supply of usable land and ensuring managed growth of urban municipalities.

After a very thorough review of the program and its operations, the Act was recently amended to ensure the continued operation of the program and to make it more relevant to the country's needs.

I hope, as municipal leaders, you are all aware of what the new STP program can do for your community. CMHC is mounting an information program to make sure the new provisions are well known and understood but, in the meantime, it would be a good idea to check it out with your CMHC branch manager.

For the first time storm trunk sewers will be eligible for loans and forgiveness grants, where they are used to open up new residential development. Up until now only sanitary trunk sewers were included.

There is now no time limit for completing sewerage projects in order to qualify for forgiveness grants.

There is another innovation which benefits small communities who incur a heavy tax burden in providing sewage treatment. Special assistance will be available



to communities which, because of their size, or difficult terrain, have a high per capita cost.

I think it is not generally known but there is also special assistance available for communities under 5,000 population. In these cases, depending on population, CMHC will finance a proportion of the entire sanitary sewer collection system -- not just the trunks.

The new program also provides assistance for the development of regional sewerage plans.

It provides that municipalities who borrow capital for eligible programs from private sources, rather than from CMHC, will nevertheless be eligible for the 25 per cent forgiveness grants.

In order that this program is used to the best advantage the Act now requires that there must be a federal-provincial agreement setting out, among other things, the province's general objectives for urban growth, water management and control of the environment. We are now negotiating these agreements with all provinces and I am happy to say that they are generally going well.

All of these measures are critically important now because we are faced with a serious slump in housing production which has its effect on the entire economy.

I am still hopeful that, with the co-operation of the provinces, of the municipal leaders in this country, and the private sector, we will reach our target of 210,000 starts this year.

It will take a great effort but I believe it can be done. Through the programs that are directly under federal control, we have had a very strong impact on the market.

Under the Assisted Home Ownership Program, we are very close to having committed our entire budget of more than \$340 million.

Under our Accelerated Rental Program, we offered \$200 million at eight per cent to builders in municipalities across Canada who would create modest accommodation at rents to be set in agreement with CMHC. We got enough responses to take up more than twice that amount of investment. We are going to see what we can do to find the money for all of these proposals which meet our program standards.

All of this activity is in support of our declared policy of making every effort possible to stimulate quick housing starts, in the low and medium-price ranges.

I made a commitment in the House of Commons just a few days ago that all of the housing funds under the direct control of CMHC are going to be committed before September

of this year if that can possibly be arranged. We are now committing federal housing funds at the rate of almost \$10 million a day.

I am sorry to say that the provinces have not shown the same initiative in putting federal housing funds to work.

Of some \$307 million allocated for provincially initiated programs in 1975 -- including public housing -- less than \$38 million has been taken up. With almost half the year gone, the provinces have used less than 13 per cent of their allocations.

I am sure there are good reasons for this state of affairs but I hope every effort will be expended to overcome the roadblocks that are holding up housing production.

I am very much encouraged by the interest which the municipalities have shown in the new programs. If you think that you may not be making the greatest possible use of them, I hope you will call in your local CMHC people and get them to help you evaluate these programs in terms of your specific needs.

I am determined to do my best this year to boost housing production at least to the level that will meet the needs of our growing population and new family formations. That can't happen without the active involvement of our municipal governments. My ministry and CMHC, with the concurrence of your provincial governments, are ready to help you in every way we can and we are counting on a special effort from you this summer to help achieve our common goal.



# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
aux Affaires urbaines

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June 12, 1975, 7:00 p.m. EDT

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Notes for an address  
to the Media Club of Canada  
Biennial Conference

Vancouver, B.C.  
June 12, 1975

New telephone No.: (613) 996-5457

Ministry of State  
Urban Affairs Canada

Ministère d'État  
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Ladies and Gentlemen:

It is not news to you that we are living in a world that is changing very rapidly in many ways. As professional communicators you are perhaps in a better position than most to see and evaluate those changes.

Tonight, I want to talk about the changes that are occurring in human settlements, in Canada and throughout the world. And I want to talk to you particularly about the crucial role you have in explaining the potential impact of these changes to Canadians.

Within 25 years, by the year 2000, the character of the human environment will have changed. For the first time in history, most of the people of the world will be living in urban areas.

Current demographic projections indicate that three and a half billion people - out of a likely six and a half billion - will be living in settlements of more than 20,000 people by the turn of the century. And these centres will be growing at twice the rate of the overall population with even larger cities growing even faster. This is truly astounding growth and it is growth that demands action by all countries, developed and developing.

One of the responses to this almost overwhelming growth is Habitat: the United Nations Conference on Human Settlements to be held in this city next June. I believe it can be an effective response.

You have decided to concentrate today on human settlements and you have recognized that it is a critical issue facing mankind. It was this same kind of concern that prompted the United Nations to decide to hold a special conference to deal with human settlements.

During the Stockholm conference on the human environment, it became clear that human settlements needed to be given priority attention. Canada's offer to host a special conference on human settlements was accepted by the General Assembly and preparations for the conference were begun.

Habitat may well be one of the most important conferences ever held by the United Nations because it addresses the need for practical solutions to one of the most compelling problems facing mankind today.

The Conference has three main purposes:

- to make it possible for all nations to look at the social, economic and political issues surrounding human settlements;

- to help nations identify and focus on available solutions, or at least the most effective responses to the problems of human settlements at the national, regional and international levels;

- to enable nations to debate and adopt a number of recommendations for action nationally and internationally.

To put it even more simply, Habitat is intended to be a medium of communication that will enable all nations to share experiences, problems and alternative solutions.

Equally important is that it is intended as a forum at which the participating governments will agree to adopt and to implement new initiatives for dealing with the problems of human settlements.

I do not think there can be any doubt that rich, more developed countries like Canada and the United States have the resources and the skills necessary to deal with the challenges inherent in human settlements issues. But I think it is also clear that to deal with these problems we, in the developed countries, will have to develop and apply a whole range of new approaches in urban policy, urban institutions and urban technology.

In the developing countries, the situation is more serious. Most of the world's new cities will not be in the developed countries. Instead, they will be in those countries without many of the resources necessary to deal with accelerated growth. In those countries, the problems of urbanization are compounded by problems of population, poverty, food, energy, newly developing political structures as well as a shortage of skilled manpower, planners and technical expertise.

The nations of the developed world cannot afford to ignore the problems of their own cities any more than they can afford to ignore the crisis in human settlements facing the developing world. With modern communications, the world has become too small to permit us to isolate ourselves from one another's problems. That is why Habitat is so important. All nations can learn from each other and apply those lessons for the benefit of all.

I said a moment ago that Habitat was really a way for nations to communicate with each other about human settlements. There is a good reason for that. The problems of human settlements, unlike problems in areas such as trade or pollution, cannot be solved by international agreement. If we want to deal with the problems of rapid urban growth, or squatter settlements, or the lack of social or economic opportunity in small towns or rural areas, we must do so as individual nations.



Because of this, in their preparations for Habitat, nations have selected solutions or approaches to the problems of human settlements that have been applied in one country but which have elements potentially transferable to others.

Each country has been asked to submit three problems in which their approaches have been relatively successful or in which their experience might be helpful to others. Those submissions that are chosen by the United Nations will provide the basis for audio-visual presentations. These will be an important part of the conference deliberations in Vancouver.

Subjects covered by the audio-visual presentations are of interest to all nations and common to them. They include:

- the use of public policies to manage growth;
- new methods of housing design, construction and development;
- the development of low energy urban systems;
- new methods of waste water recycling;
- new experiments in metropolitan government
- urban transportation.

All of these are areas in which Canada can both learn, and share our experiences with others. Canada will be supplying audio-visual presentations covering four of these subjects and these are now in production.

Habitat will be the first conference to rely so heavily

on audio-visual presentations and will be the first to use close circuit television to keep delegates informed and to provide capsule summaries of the longer audio-visual presentations. In fact the whole emphasis at Habitat will be on the demonstration of practical solutions rather than on simply discussion and the presentation of papers. In contrast to other international conferences, the total of official documentation is likely to amount to less than 800 pages and I think this is rare for a conference of this scope and size. The emphasis of Habitat is communication and action through the utilisation of new and innovative techniques.

I believe that Habitat can have a number of important program results. For example, I would like to see the conference establish an on-going United Nations Human Settlements Demonstration program that would continue the exchange of information begun at the conference. The benefits of such a program are obvious.

In the field of education and research, the conference may decide to strengthen or establish a number of regional urban management training institutes. Faced with the dynamic growth indicated by the population projections, there can be little doubt of the need to encourage competent urban management throughout the world. Future leaders and officials must be able to understand and deal with the management of the huge metropolitan areas that are an inevitable part of our future.

The General Assembly has indicated that Habitat should have a "financial and institutional result." Measures in this

area will have to be considered carefully and carry the broadest possible support of member countries.

Finally, I would like to see the conference adopt a firm declaration of principles recognizing that human settlements issues are among the most critical facing mankind. The declaration might also identify the main areas of possible action as well as the political and scientific resources that need to be marshalled. The declaration should represent a commitment by governments to tackle human settlement issues with the resources and urgency required.

These are only some of the results I would like to see from Habitat. There will probably be others as well, now under active development in Ottawa and other world capitals. In addition non-governmental organizations throughout the world are working actively.

Some of us might question the relevance of Habitat to Canada. I would like to make it clear that there is no doubt that we have serious challenges to face in the future - challenges that we share with many other nations. The experience of other countries in facing exactly these challenges will be of great help to us in deciding upon our responses.

We are very concerned about the developing pattern of urban growth in Canada. About two weeks ago, I spoke to the Canadian Federation of Mayors and Municipalities about the trends that indicate that by the turn of the century, more than 90% of Canadians will be living in urban areas of one kind or

another.

The trends also indicate that the pronounced imbalances in population from province to province will continue to grow. By the year 2000 the bulk of our population will be living in only three provinces, Ontario, Alberta and B.C.. More than half our people will be living in Montreal, Vancouver and Toronto centred regions.

The implications of these trends are obvious and I think it is sufficient to say that, if allowed to unfold, they have the potential to change the basic character of Canada. We do not have to accept these trends, however, if all levels of government will work together and devise a Canadian urban strategy designed to provide for balanced growth across Canada.

I have been talking about these trends for some time now and recently, I began discussions with the provinces on a Canadian Urban Strategy.

The response of the media has been excellent. Our provincial governments have joined in these consultations and we have agreed to have a series of regional consultations with municipal governments as part of the process of tri-level meetings.

Generally speaking the municipal level has been keen on this and I hope tri-level meetings on a Canadian Urban Strategy can begin soon. A few municipal leaders, however, seem to feel that, while consultations on growth and the management of growth

would be interesting, the only issue that merits action is municipal finance.

I would like to say that, unlike some municipal leaders, I do not view the question of municipal finance as one that can be discussed meaningfully outside the context of an overall Canadian Urban Strategy. Indeed, nothing could be more germane to the municipal finance problem than the present and projected pattern of urban growth in Canada.

Our smaller communities are dying because of a lack of revenue-producing growth, while our larger cities often are squeezed by the high cost of too rapid growth. The municipal finance problem is largely a consequence of unbalanced growth, not entirely of unbalanced revenues.

I recognize that some municipal governments face difficult financial problems. But I have been disappointed recently by those who appear to believe that an infusion of money by itself -especially federal money - will solve all their problems. This is just not borne out by analysis or experience.

Analysis has established that urban problems such as rapid growth, housing, land, transportation and environment are all interrelated. You cannot deal successfully with one without dealing with the others.

Experience has established that governments can pour vast sums of money into tackling a problem and end up with more and worse problems in other areas. Our experience, and that of



other countries, with urban expressways is a case in point.

Canadian urban problems are political, institutional and managerial in nature as much or more than they are financial. This does not mean that we lessen our resolve to tackle the economic issues as we are doing with other levels of government through the tri-level task force on public finance under Dr. John Deutsch. They will be resolved only through a concerted effort by all three levels of government. We must agree on urban objectives and on strategies to meet those objectives. Within this context, the federal government is prepared to coordinate the delivery of its programs and policies with those of the provinces and municipalities.

The use of public policies to manage growth is, of course, one of the principal themes of Habitat. That is what makes it so relevant to Canadian urban problems and a Canadian Urban Strategy.

We will have the views of governments on this issue - Canadian governments and governments around the world.

But the ideas of politicians and bureaucrats are not enough. We are anxious to hear voices from outside government - whether they are the voices of organized groups or of individuals.

Therefore, in our preparations for Habitat, the Canadian government, and other governments around the world, will incorporate advice from non-governmental organizations and

individuals on the issues to be dealt with in the official conference.

Habitat itself is a conference of governments simply because the solutions to human settlements problems will require national commitments to principles and programs. Only governments can make such commitments and these commitments should reflect the concerns of their people.

That is why there will be parallel meetings of non-governmental organizations and individuals from around the world at approximately the same time as Habitat. This Habitat Forum, as it is called, follows the precedent of the Environmental forum in Stockholm and the Population Tribune in Bucharest. We are providing financial assistance to the Forum through a specially created group in Vancouver called the Association in Canada Serving Organizations for Human Settlements. The forum will, I think have a good deal of influence on the conference itself. And, it is my guess that reporters will find some of their best stories in these sessions.

I would like to see a two-way flow of ideas on Habitat issues and themes to and from Canadians and, for this reason, I have appointed a Canadian National Committee. I am pleased that this committee, chaired by Senator Sidney Buckwold, is arranging a series of public hearings and symposia across Canada. These meetings will give you a preview of how the public sees the issues to be discussed at Habitat. The hearings are intended to give individuals, community groups and others the opportunity to

tell us what they feel is most important and urgent about human settlements. Briefs will be presented to a panel of Canadian National Committee members or they can be mailed directly to me.

The symposia will bring together keynote speakers and panellists to express their views and feelings. At the moment, we are scheduling symposia across the country for such centres as Whitehorse, Yellowknife, Winnipeg, Halifax, Victoria, Vancouver, Quebec City, Fredericton and St. John's. The public meetings will be held during this same period.

To further involve people in Habitat, we will sponsor a one hour long documentary film in cooperation with the National Film Board. We hope to hold the premiere later this year.

The film will attempt to look at world settlement issues and will bring to the Vancouver conference a testament which we hope will challenge the delegates at Habitat. The film will be shown on television in Canada and distributed to television networks throughout the world prior to its showing at Habitat.

I want to emphasize that, in the year to come, we will be actively seeking public involvement in Habitat. I believe that this involvement is essential to the purpose of Habitat.

I hope that what I have said thus far has suitably impressed you with the importance of Habitat; with the significance of the work to be done before, during and after the

conference a year from now. In addition, it is our country and this city which are the hosts and focal points, and we all want to perform well before the world.

It is more than that. What we will be dealing with is the whole shape of the future for most of the world's people. Their habitat, their settlements will be what we make them. And the Vancouver conference is their chance to make them more human places in which to live.





Notes for an address by Mr. J. W. MacNeill  
Head of the Canadian Delegation

Habitat Regional Preparatory Conference  
Caracas, Venezuela  
June 30 to July 4, 1975



Ministry of State

Urban Affairs  
Canada

Ministère d'État

Affaires urbaines  
Canada



MR. CHAIRMAN:

I WOULD LIKE TO BEGIN, MR. CHAIRMAN, BY EXTENDING TO YOU THE GOOD WISHES AND SUPPORT OF THE CANADIAN DELEGATION ON YOUR ELECTION AS CHAIRMAN OF THIS CONFERENCE. AS THE DISTINGUISHED GOVERNOR OF THE FEDERAL DISTRICT OF CARACAS, YOU DO US A GREAT HONOUR.

CANADA'S DELEGATES TO LAST SUMMER'S SESSION OF THE LAW OF THE SEA CONFERENCE RETURNED TO OTTAWA WITH MANY COMPLIMENTARY REPORTS ABOUT THE HOSPITALITY OF VENEZUELA AND THE BEAUTY OF YOUR CAPITAL CITY, CARACAS. I HAVE BEEN VERY HAPPY OVER THE PAST FEW DAYS TO CONFIRM THIS MYSELF.

MAY I SAY THAT WE HAVE BEEN VERY IMPRESSED BY THE FAVOURABLE ATTITUDE TOWARDS HABITAT THAT THE VENEZUELAN GOVERNMENT HAS ENCOURAGED IN VENEZUELA. WE LOOK FORWARD TO RECEIVING OUR FRIENDS AMONG THE VENEZUELAN DELEGATION IN VANCOUVER NEXT YEAR. IN FACT, I HOPE THAT THIS WEEK YOU WILL SHARE WITH US SOME OF YOUR EXPERIENCE IN HOSTING INTERNATIONAL CONFERENCES, SO THAT WE CAN BETTER RECEIVE ALL OF YOU AT VANCOUVER NEXT JUNE.

I MUST NEXT, MR. CHAIRMAN, EXPRESS THE DEEPEST REGRETS OF MY MINISTER, THE HON. MR. DANSON, AT NOT BEING ABLE TO ATTEND TODAY TO ADDRESS YOU HIMSELF. AS THE SECRETARY GENERAL KNOWS, IT WAS HIS FIRM RESOLVE TO BE HERE. UNFORTUNATELY, THE EXIGENCIES OF POLITICAL LIFE SURROUNDING A SPECIAL BUDGET IN OUR PARLIAMENT LAST WEEK MADE THIS

IMPOSSIBLE. HE HAS ASKED ME TO CONVEY TO YOU HIS BEST WISHES FOR A SUCCESSFUL MEETING.

CANADA CONSIDERS THESE REGIONAL MEETINGS AS AN INTEGRAL AND IMPORTANT PART OF THE PREPARATORY PROCESS FOR HABITAT. I BELIEVE THAT THE CONCERN ABOUT INTERNATIONAL GLOBAL QUESTIONS TOO OFTEN OVERSHADOWS THE INTERNATIONAL PROBLEMS AND CONCERNS AT THE REGIONAL LEVEL. IT IS AT THE REGIONAL LEVEL THAT INTERNATIONAL CO-OPERATION AND ACTION CAN OFTEN BE MORE EFFECTIVE BECAUSE OF THE GREATER SIMILARITIES AND COMMON INTERESTS THAT EXIST AMONG COUNTRIES.

LATIN AMERICA HAS ALREADY MADE A MAJOR CONTRIBUTION TO HABITAT IN THAT ONE OF ITS MOST DISTINGUISHED PUBLIC SERVANTS - DR. ENRIQUE PENALOSA - NOW SERVES AS THE SECRETARY-GENERAL FOR THE CONFERENCE. WE IN CANADA HAVE COME TO KNOW DR. PENALOSA EXTREMELY WELL OVER THE PAST YEAR AND WE HAVE DEVELOPED THE HIGHEST REGARD FOR HIM. HIS SKILL IN EFFECTIVE DIPLOMACY AND HIS SINCERE, ENERGETIC AND COMPLETE COMMITMENT TO THIS DIFFICULT AND SENSITIVE TASK ARE A TRIBUTE TO ALL PUBLIC SERVANTS, BUT ESPECIALLY THOSE OF THIS CONTINENT. DURING THE PAST YEAR AND ONE HALF, DR. PENALOSA HAS BEEN INSTRUMENTAL IN FOCUSING THE ATTENTION OF GOVERNMENTS AND PEOPLE ON THE KEY ISSUES AND PROBLEMS OF HUMAN SETTLEMENTS AND ON THE OPPORTUNITY THAT HABITAT REPRESENTS FOR ENABLING GOVERNMENTS AND PEOPLE TO DEAL WITH THEM MORE EFFECTIVELY.

THERE HAVE BEEN MANY REFERENCES TO THE "SPIRIT OF STOCKHOLM" IN OUR VIEW, THE "SPIRIT OF HABITAT", AND ITS

ESSENCE, HAS BEEN BEST EXPRESSED IN THE FOLLOWING STATEMENT BY OUR SECRETARY-GENERAL"

"THE MORE ONE LOOKS AT THE HABITAT CONFERENCE, THE MORE CLEAR IT BECOMES THAT THIS IS AN OPPORTUNITY TO RE-EVALUATE EVERY ELEMENT OF OUR ECONOMIC AND SOCIAL ORGANIZATION, AND ESPECIALLY TO GO BEYOND THE MACRO-ECONOMIC ASPECTS TO REVIEW THE BASIC UNFULFILLED NEEDS AND DESIRES OF THE MASSES OF HUMANITY.

WE ARE NOT HELPLESS. FAR FROM REACHING THE END OF OUR INVENTIVENESS, WE COULD NOW BE ON THE THRESHOLD OF A NEW RENAISSANCE. THE ROLE OF INDUSTRIALIZATION WILL BE CENTRAL TO ANY NEW CONCEPT OF SYSTEM WHICH WE DEVISE TO MEET OUR NEEDS.

ANSWERS WON'T COME EASILY. EVEN RIGHT DECISIONS CARRY PENALTIES AND WE CAN ILL AFFORD MISTAKES. BUT THERE IS ONE FACTOR THAT CAN STEEL OUR RESOLVE. WE CANNOT GO ON AS WE ARE TODAY. IN RICH AND POOR COUNTRIES ALIKE WE NEED NEW TOOLS, NEW SYSTEMS, NEW APPROACHES TO MEET THE CHALLENGE OF THE FUTURE."



THIS WEEK WE WILL TOGETHER IDENTIFY AND DISCUSS SOME OF THE FORM AND SUBSTANCE OF THIS EMERGING SPIRIT OF HABITAT. WITH THIS IN MIND, MR. CHAIRMAN, I WOULD LIKE TO MENTION SOME OF THE GENERAL CONCERNS THAT WE HAVE, BUT MORE PARTICULARLY, IN RESPONSE TO YOUR INTEREST, I WOULD LIKE TO FOCUS ON OUR NATIONAL PREPARATIONS FOR THE CONFERENCE IN TERMS OF BOTH ITS DOMESTIC AND ITS INTERNATIONAL OBJECTIVES AS WE SEE THEM.

## CANADIAN PREPARATIONS FOR HABITAT

FIRST, I WOULD LIKE TO DEAL BRIEFLY WITH CANADA'S SUBSTANTIVE PREPARATIONS FOR HABITAT AT THE NATIONAL AND INTERNATIONAL LEVELS.

IN OUR COUNTRY - AND I BELIEVE THAT THIS IS TRUE OF MANY COUNTRIES - WE SEE HABITAT AS AN OPPORTUNITY TO REVIEW OUR OWN DOMESTIC POLICIES AND PROGRAMMES IN HUMAN SETTLEMENTS; TO MAKE THE PEOPLE OF CANADA AWARE OF THE GREAT ISSUES INVOLVED; AND TO HELP EVERYONE REALIZE THEIR INDIVIDUAL STAKE IN THE FUTURE OF OUR SETTLEMENTS. THIS WE FEEL IS VITAL TO STIMULATE THE CHANGES NEEDED TO ENSURE THAT CANADIAN CITIES AND TOWNS - OUR SETTLEMENTS - CONTINUE TO PROVIDE A SATISFACTORY LIVING ENVIRONMENT FOR ALL OUR PEOPLE.

WE KNOW THAT IN CANADA CHANGES WILL BE REQUIRED, RAPID, CONTINUOUS CHANGES, IN POLICY PROBABLY MORE THAN IN TECHNOLOGY. IN COMMON WITH MANY COUNTRIES, WE ANTICIPATE THAT WE WILL HAVE TO BUILD AS MUCH NEW URBAN AREAS, AS MANY NEW SETTLEMENTS, IN THE NEXT 25 YEARS AS WE HAVE IN OUR ENTIRE HISTORY.

WE FIND THAT STAGGERING. IT COMPELS US TO SEEK OUT AND TO EXAMINE THE BEST AVAILABLE EXPERIENCE AROUND THE WORLD IN DEVISING AND APPLYING STRATEGIES TO COPE WITH RAPID URBAN CHANGE. HABITAT PROVIDES THAT OPPORTUNITY. IF WE SEIZE

IT IN CANADA - AND IF OTHER COUNTRIES SEIZE IT - IT COULD BE THE BEGINNING OF "A NEW RENAISSANCE" IN HUMAN SETTLEMENTS, AS THE SECRETARY-GENERAL HAS SAID.

IT IS OUR HOPE THAT HABITAT WILL ELICIT THE NECESSARY POLITICAL COMMITMENT TO ACTION AT ALL LEVELS OF GOVERNMENT IN EACH COUNTRY, AND AMONG NATIONAL GOVERNMENTS AT BOTH THE REGIONAL AND WORLD LEVELS.

WE ARE ALREADY BEGINNING TO SEE SOME NATIONAL RESULTS FROM OUR HABITAT PREPARATIONS. THE CANADIAN PARTICIPATION SECRETARIAT, IN MY MINISTRY, WORKS CLOSELY WITH AN INTERDEPARTMENTAL TASK FORCE OF SOME TWENTY FEDERAL DEPARTMENTS AND AGENCIES TO ENSURE A BROAD FEDERAL PERSPECTIVE. THIS TASK FORCE HAS ESTABLISHED A NUMBER OF WORKING GROUPS - IN FACT, ONE FOR EACH OF THE HABITAT THEMES. AMONG THEIR MANY TASKS, THESE WORKING GROUPS ARE ASSISTING IN ORGANIZING A SERIES OF MEETINGS ACROSS CANADA WHICH WILL ADDRESS HABITAT ISSUES AS THEY RELATE TO THE CANADIAN SCENE. SOME OF THE KEY SUBJECTS ON WHICH WE ARE STIMULATING NATIONAL DISCUSSION, LEADING UP TO HABITAT, INCLUDE"

- THE USE OF PUBLIC POLICIES TO MANAGE GROWTH - POLICIES SUCH AS FINANCIAL INCENTIVES AND DISINCENTIVES, NEW TOWNS, AND OTHERS'
- FACTORS INFLUENCING RURAL-URBAN MIGRATION;
- THE REVITALIZATION OF SMALL COMMUNITIES;
- THE PROVISION OF COMMUNITY SERVICES AND THEIR FINANCING;

- THE DESIGN OF COMMUNITIES SO AS TO CONSERVE LAND AND ENERGY.

IT IS EXPECTED THAT POLITICIANS, EXPERTS, ACADEMICS, NGO'S, AND INTERESTED CITIZENS WILL PARTICIPATE IN THESE MEETINGS. MOST OF THEM ARE SLATED FOR THIS FALL AND WINTER.

CANADA IS A FEDERAL STATE AND MANY OF THE ACTIONS NEEDED TO SOLVE HUMAN SETTLEMENT PROBLEMS IN CANADA FALL WITHIN THE JURISDICTION OF OTHER LEVELS OF GOVERNMENT. WE HAVE, THEREFORE, ALSO ESTABLISHED A MEANS BY WHICH CANADA'S TEN PROVINCIAL AND TWO TERRITORIAL GOVERNMENTS CAN BE CLOSELY INVOLVED IN HABITAT PREPARATIONS - AND THROUGH THEM THE GOVERNMENTS AT THE MUNICIPAL LEVEL. SOME OF THE PROVINCES HAVE APPOINTED FULL-TIME COORDINATORS TO RELATE TO THEIR OWN AGENCIES, TO THEIR MUNICIPALITIES AND TO THE PUBLIC ON HABITAT.

AT THE NON-GOVERNMENTAL LEVEL, WE HAVE FOR SOME TIME NOW RECOGNIZED THE OPPORTUNITY THAT HABITAT OFFERS TO ENABLE CANADIANS TO BECOME MORE AWARE OF URBAN ISSUES, NOT ONLY IN CANADA BUT ALSO IN OTHER COUNTRIES, AND TO RAISE THE LEVEL OF UNDERSTANDING OF THE URGENCY AND SERIOUSNESS OF THESE ISSUES. TO THAT END WE HAVE ESTABLISHED A CANADIAN NATIONAL COMMITTEE FOR HABITAT. LAST NOVEMBER, THIS COMMITTEE SPONSORED A VERY SUCCESSFUL NATIONAL MEETING OF NON-GOVERNMENTAL ORGANIZATIONS. AS A RESULT, MANY OF THESE ORGANIZATIONS ARE FOCUSSING THEIR ACTIVITIES THIS YEAR AND NEXT ON HABITAT. A SECOND NATIONAL

CONFERENCE OF NON-GOVERNMENT ORGANIZATIONS IS PLANNED FOR LATE THIS YEAR.

ALSO LATE THIS YEAR, THE NATIONAL COMMITTEE WILL CONDUCT A SERIES OF PUBLIC HEARINGS THROUGHOUT CANADA AT WHICH STATEMENTS AND BRIEFS WILL BE HEARD. THE COMMITTEE WILL THEN TRY TO BRING ALL OF THIS INTO ACTIVITY TOGETHER IN AN ADVISORY REPORT TO THE CANADIAN GOVERNMENT.

THE SECRETARY-GENERAL HAS ASKED EACH COUNTRY TO SELECT FOR PRESENTATION IN VANCOUVER THREE OR FOUR APPROACHES TO HUMAN SETTLEMENTS PROBLEMS THAT HAVE BEEN MORE OR LESS SUCCESSFUL AND THAT MAY BE OF INTEREST OR VALUE TO OTHER COUNTRIES. WE HAVE CHOSEN FOUR SUBJECTS FOR OUR AUDIO-VISUAL PRESENTATIONS. THEY REPRESENT AN IMPORTANT LINK BETWEEN OUR NATIONAL ACTIVITIES RELATED TO HABITAT AND OUR INTERNATIONAL PREPARATIONS. THE FOUR SUBJECTS ARE:

- THE MANAGEMENT OF URBAN GROWTH AND LAND USE
- DESIGN INNOVATIONS FOR SETTLEMENTS IN COLD CLIMATES
- GOVERNING HUMAN SETTLEMENTS
- COMMUNITY REJUVENATION.

I HOPE THESE FOUR PRESENTATIONS WILL PROVE TO BE OF INTEREST TO OTHER COUNTRIES. MORE IMPORTANTLY FOR CANADA AT LEAST, I HOPE THEY WILL STIMULATE COMMENTS AND SUGGESTIONS FROM EXPERTS OF OTHER COUNTRIES ON OTHER APPROACHES WHICH WE MIGHT



TAKE IN DEALING WITH THESE QUESTIONS.

### CANADA AS HOST

AS YOU KNOW, MR. CHAIRMAN, CANADA HAS TWO ROLES IN HABITAT. WITH ALL COUNTRIES IN THE UNITED NATIONS, WE SHARE A RESPONSIBILITY TO PARTICIPATE ACTIVELY IN THE PREPARATIONS FOR HABITAT. BUT WE ALSO CARRY THE UNIQUE RESPONSIBILITY AS HOST COUNTRY. THIS IS A HEAVY RESPONSIBILITY TO WHICH WE ARE COMPLETELY COMMITTED, AND WHICH WE HOPE TO FULFILL TO THE SATISFACTION OF ALL DELEGATES. THE ARRANGEMENTS FOR HOSTING HABITAT ARE PROCEEDING SMOOTHLY. YOU WILL HEAR DETAILS ABOUT THESE LATER FROM MY COLLEAGUE REPRESENTING THE HOST SECRETARIAT IN OUR DEPARTMENT OF EXTERNAL AFFAIRS. HE WILL ALSO BE PLEASED TO DEAL WITH ANY SPECIFIC QUESTIONS YOU MAY HAVE CONCERNING THE ARRANGEMENTS BEING MADE IN VANCOUVER. IN MENTIONING OUR RESPONSIBILITIES AS HOST COUNTRY AT THIS TIME, I SHOULD LIKE SIMPLY TO RE-AFFIRM, ON BEHALF OF THE GOVERNMENT OF CANADA, THE GREAT PRIORITY WE HAVE ATTACHED TO HABITAT AND THE ASSURANCE OF ITS SUCCESS. WE ARE TAKING EVERY REASONABLE MEASURE TO ENSURE THAT WHEN YOU ARRIVE IN VANCOUVER NEXT YEAR THE ARRANGEMENTS AND FACILITIES WILL BE SUCH AS TO IN EVERY RESPECT FACILITATE OUR GREAT WORK.

### HABITAT: INTERNATIONAL ACTIVITIES

SHIFTING FROM OUR NATIONAL TO OUR INTERNATIONAL ACTIVITIES IN HABITAT, MR. CHAIRMAN, I WOULD LIKE FIRST OF ALL

TO MENTION BRIEFLY OUR BILATERAL PROGRAMMES WHICH OPERATE THROUGH THE CANADIAN INTERNATIONAL DEVELOPMENT AGENCY. SOME OF YOU WILL RECALL THAT, DURING THE EARLY DISCUSSIONS IN THE UNITED NATIONS ON THE OBJECTIVES OF HABITAT, CANADA AGREED THAT THEY SHOULD INCLUDE A REVIEW OF FOREIGN AID PROGRAMMES, MULTI-LATERAL AND BILATERAL, TO ASSIST DEVELOPING COUNTRIES. CANADA HAS SINCE INDICATED THAT, WITHIN THE CONTEXT OF ITS INCREASING BUDGET FOR CIDA, IT WOULD BE PREPARED TO GIVE PRIORITY TO PROJECTS RELATED TO HUMAN SETTLEMENTS. CLEARLY, HOWEVER, AND PROPERLY, THE REQUEST FOR SUCH PRIORITY MUST ORIGINATE WITH OUR BILATERAL AID PARTNER.

MORE SPECIFICALLY, CONCERNING THE CONFERENCE, MR. CHAIRMAN, THE UNITED NATIONS AND MOST COUNTRIES NOW HAVE ALLOTTED SPECIAL IMPORTANCE TO THE AUDIO-VISUAL PROGRAMME. IN RECOGNITION OF THIS, THE CANADIAN GOVERNMENT RECENTLY APPROVED ARRANGEMENTS FOR GRANTING ASSISTANCE THROUGH CIDA TO DEVELOPING COUNTRIES WITH WHOM WE HAVE BILATERAL AID PROGRAMMES, TO HELP THEM WITH THEIR AUDIO-VISUAL PROJECTS.

AT THE SAME TIME, APPROVAL WAS GIVEN TO EXTEND FINANCIAL ASSISTANCE TO SUCH COUNTRIES IN ORDER TO PERMIT THEM TO INCLUDE, IF THEY SO WISH, AS PART OF THEIR NATIONAL CONTINGENT, EXPERTS AND OTHERS WHO MIGHT NOT OTHERWISE BE ABLE TO ATTEND THE CONFERENCE.

AS WE HAVE HEARD FROM THE INSPIRING ADDRESS OF YOUR PRESIDENT, MR. CHAIRMAN, FROM YOUR OWN INSPIRING ADDRESS, FROM

THE REPORT OF THE SECRETARY-GENERAL, AND FROM MY OWN REMARKS SO FAR, HABITAT IS NOW ON. IT STARTED EFFECTIVELY OVER A YEAR AGO AND IT WILL EXTEND LONG AFTER VANCOUVER. IT HAS ALREADY MADE IT POSSIBLE FOR THOSE NATIONS THAT WISH TO TAKE ADVANTAGE OF IT TO ADDRESS SOME OF THEIR MOST IMPORTANT HUMAN SETTLEMENTS ISSUES. AS I HAVE SAID, FOR CANADA, THIS IS VITAL.

WITH THE INTEGRAL SUPPORT OF ITS UNIQUE AUDIO-VISUAL PRESENTATIONS, HABITAT IS ALSO ASSISTING COUNTRIES TO FOCUS ATTENTION ON THE BEST AVAILABLE RESPONSES TO THESE ISSUES - AT THE NATIONAL, REGIONAL AND INTERNATIONAL LEVELS. THERE IS AN ENORMOUS GAP BETWEEN THE PROBLEMS THAT EACH ONE OF US FACES AND WHAT THE WORLD COMMUNITY KNOWS ABOUT HOW TO TACKLE THESE PROBLEMS. HABITAT SHOULD HELP US TO BRIDGE THIS GAP.

EVERY COUNTRY CAN CLAIM SOME SUCCESSES IN DEALING WITH HUMAN SETTLEMENT PROBLEMS AND THESE, ONCE BETTER KNOWN, COULD BE ADOPTED OR ADAPTED BY OTHER COUNTRIES IN DEALING WITH THEIR PROBLEMS.

I WAS THEREFORE PLEASED TO LEARN FROM THE SECRETARY-GENERAL THAT APPROXIMATELY 200 AUDIO-VISUAL PRESENTATIONS ARE BEING PREPARED AND WILL BE SHOWN AT HABITAT. THEY WILL CONSTITUTE A UNIQUE AND EXTENSIVE STOREHOUSE OF KNOWLEDGE AND EXPERIENCE. SINCE THEY WILL BE INTEGRATED WITH THE CONFERENCE DEBATES, THEY WILL ALSO BE AN INVALUABLE RESOURCE FOR ALL DELEGATES THAT NO PREVIOUS UN CONFERENCE HAS HAD.

UNLIKE EARLIER CONFERENCES WHICH HAVE YIELDED RECOMMENDATIONS FOR NATIONAL ACTION, HABITAT WILL YIELD BOTH "RECOMMENDATIONS AND EXAMPLES OF SOLUTIONS FOR NATIONAL ACTION". THIS CLEARLY IS AN IMPORTANT AND CONSTRUCTIVE ADVANCE WHICH SHOULD BE OF IMMEDIATE BENEFIT TO US ALL.

THERE ARE, AS I HAVE JUST EMPHASIZED, SOLUTIONS TO SOME HUMAN SETTLEMENT PROBLEMS THAT ARE NOT WIDELY ENOUGH KNOWN, BUT SHOULD BE. HOWEVER THERE ARE ALSO MANY PROBLEMS WITHOUT APPARENT SOLUTIONS, OR AT LEAST WITHOUT SUFFICIENT POLITICAL ATTENTION AND PRIORITY TO PERMIT EFFECTIVE RESPONSES AT THE NATIONAL AND INTERNATIONAL LEVEL. THESE PROBLEMS MUST ALSO BE IDENTIFIED AND DISCUSSED.

### INTERNATIONAL ACTIONS OF HABITAT

A MAJOR PURPOSE OF HABITAT, THEREFORE, IS TO DEVELOP AND MAKE RECOMMENDATIONS FOR INTERNATIONAL ACTION WHICH IS RESPONSIVE TO GLOBAL NEEDS AND WHICH DEALS EFFECTIVELY WITH THESE PROBLEMS. INDEED, THE GENERAL ASSEMBLY HAS CALLED UPON US TO DO JUST THAT.

WE HAVE BEEN GIVING THIS A LOT OF THOUGHT IN OUR PREPARATORY WORK. WE HAVE NO FIRM VIEWS ON THIS AS YET. BEFORE WE ADOPT ANY, WE WANT TO HEAR THE VIEWS OF, AND EXCHANGE VIEWS WITH, THE ECLA AND OTHER COUNTRIES IN THESE PREPARATORY MEETINGS.



IN THE LIGHT OF WORK TO DATE, HOWEVER, WE FEEL THAT THERE ARE FOUR MAJOR AND DISTINCT AREAS IN WHICH THE HABITAT CONFERENCE COULD YIELD IMPORTANT RESULTS.

FIRST, HABITAT SHOULD HAVE A NUMBER OF CLEAR AND IMPORTANT PROGRAMME RESULTS. THESE COULD INCLUDE, FOR EXAMPLE, AN ON-GOING UNITED NATIONS HUMAN SETTLEMENTS DEMONSTRATION PROGRAMME. IF WELL CONSTITUTED, A CONCRETE PROGRAMME OF THIS KIND COULD BE OF PRACTICAL AND CONTINUING BENEFIT TO BOTH DEVELOPED AND DEVELOPING NATIONS.

SECOND, WE FEEL THAT HABITAT SHOULD HAVE IMPORTANT RESULTS IN THE EDUCATION AND RESEARCH FIELD. FOR EXAMPLE, ACTION IN THIS AREA COULD USEFULLY INCLUDE THE STRENGTHENING OF A NUMBER OF REGIONAL URBAN MANAGEMENT TRAINING INSTITUTES, AND IMPROVEMENTS IN THE COORDINATION OF EXISTING EFFORTS IN THIS FIELD. THERE IS AN ACKNOWLEDGED NEED TO BETTER THE COMPETENCE OF URBAN MANAGEMENT THROUGHOUT THE WORLD BOTH IN DEVELOPED AND DEVELOPING NATIONS. THE FUTURE SUCCESS OF HUMAN SETTLEMENTS DEPENDS ON THE DEVELOPMENT AND TRAINING OF LEADS AND OFFICIALS IN ALL COUNTRIES WHO CAN GRAPPLE WITH THE COMPLEX TASKS OF MANAGING THE LARGE AND EXPLODING SETTLEMENTS THAT SEEM TO BE AN INEVITABLE PART OF OUR GLOBAL, URBAN FUTURE.

THIRD, THE GENERAL ASSEMBLY, IN ITS RESOLUTION LAUNCHING HABITAT, HAS SUGGESTED THAT THE CONFERENCE SHOULD MAKE RECOMMENDATIONS ON FINANCIAL AND INSTITUTIONAL MATTERS. THIS IS CLEARLY IMPORTANT AND, TO BE MEANINGFUL, THIS ASPECT WILL REQUIRE



THE MOST CAREFUL CONSIDERATION AND THE BROADEST MEASURE OF SUPPORT FROM GOVERNMENTS.

FINALLY, AND PERHAPS MOST IMPORTANT TO THE SPIRIT OF HABITAT, THE CONFERENCE SHOULD, IN OUR VIEW, LEAD TO A FIRM DECLARATION OF PRINCIPLES.

MR. CHAIRMAN, SEVERAL MEMBERS OF ECLA CELEBRATE THEIR NATIONAL DAYS JUST ABOUT NOW - INCLUDING OURSELVES AND OUR HOSTS. WE WOULD ESPECIALLY LIKE TO CONVEY THE WARM WISHES OF CANADA TO THE GOVERNMENT AND PEOPLE OF VENEZUELA ON THEIR INDEPENDENCE DAY. THERE ARE DIFFERENCES IN OUR COUNTRIES AND OUR CULTURES, BUT EQUALLY IMPORTANT ARE THE SIMILARITIES - THE PROBLEMS WHICH WE HAVE IN COMMON AND, WITHIN AND AMONG OUR COUNTRIES, THE SHARED HOPES AND CONCERNS FOR DEALING WITH THEM EFFECTIVELY. AS EACH OF US CELEBRATES OUR INDEPENDENCE, LET US THEREFORE RECOGNIZE AND SERVE OUR INDISPENSIBLE INTERDEPENDENCE - PARTICULARLY IN HUMAN SETTLEMENTS.

THANK YOU.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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CANADIAN ORGANIZATION OF PUBLIC HOUSING TENANTS

Toronto, Ontario.

Saturday, August 2, 1975.



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I would like, first of all, to congratulate you on staging your second national conference as an organization of public housing tenants. I know it is going to be a very interesting and worthwhile experience for you to meet with delegates from all parts of the country -- to discover that you share many of the same problems and to have the opportunity of working out solutions together.

I am very pleased that the Government of Canada, through CMHC, and the Secretary of State, has been able to contribute to the cost of this conference and to help make it possible. We are very interested in what you have to say -- what you think and feel. You are a very important part of the process by which we develop policy and housing programs. It is just as important to me -- as it is to you -- that these meetings should be successful and productive.

You have certainly made great strides since the first organizational conference was held in Ottawa in 1971, and the idea of a national tenants association was put forward. Your organization was officially formed at the Quebec national conference in 1973. You now represent the tenants of some 17,000 housing units across Canada, you have a permanent national headquarters, and you are a going concern.

Now that your organization is in place, your job will be to make sure that it continues to be a strong and effective spokesmen for the people across Canada who live in public housing.

In order to do that, you will want to operate with your own resources and to be, as far as possible, independent of outside contributions. CMHC has welcomed the opportunity to support your organization during its initial years and will continue to do so, on a reducing scale, as you develop your own strength. I know that one of your prime objectives for 1975 is to expand your membership from 17,000 households to 48,000 and to widen the basis of your financial support. I think that is terribly important if you see yourself as an independent voice.

One of the great dangers in building a national organization is in becoming top heavy. If you are not careful you can easily lose contact with your roots, which are the real source of your strength. This is the reason we at CMHC are busily reversing that process, shifting decision-making and authority back out to the local offices, close to where our real clients live. As a politician, I know that the grass roots is where the action is. When I forget that, the people there will soon see that I become an ex-politician.

Certainly, in many of its aspects, public housing is a national issue and, from time to time, it must be seen



in a national perspective. But maybe national conferences should be held less frequently and more emphasis placed on exchanges at the local and regional levels. You will have to build from the ground up, making sure you have a solid foundation of confidence and trust among the local and regional associations. That is a trust you will have to win by consistent devotion to people's real needs.

The national office has an extremely important role to play, in co-ordinating regional activity and providing liaison with the federal government. It may be that what you require, most of all, is a competent and knowledgeable chief executive officer working on salary in the national office. He could certainly lighten the burden on elected officials and funds might better be invested in this way than in attempting to compensate elected people for their time. That, of course, is your decision to make.

Above all, I have great hopes that you are going to continue to be a tough-minded outfit. We are going to count on you, along with our own people in CMHC's branch offices, to keep in touch with public housing people and to be constantly aware of their needs. Research should be an important aspect of your organization. I don't expect your members to undertake sophisticated academic research but I do expect you to point out the kind of relevant, realistic studies that most urgently need doing. If you can identify these jobs, we will somehow find the money to get them done.

I didn't come here today, however, to give you advice. I thought I would share with you, as a politician and a businessman, some of my thoughts about structuring and managing an organization. I think it is more important for me, on this occasion, to listen and to learn.

I have a strong personal interest in public housing and how it can be improved and shaped to people's needs. In these difficult times, nearly everybody is having problems with housing but those with the biggest and most urgent housing problems are the low-income people -- people without jobs, or without steady jobs, the handicapped and the disadvantaged, including the people of native ancestry. I am most aware of the problems of the many thousands of women who, for one reason or another, are left to bring up young children alone. These are the people with the most urgent problems and -- make no mistake about it -- they are one of the government's first concerns.

I have learned a good deal about public housing since I assumed my present portfolio and I have become more and more convinced that our problem is not just to build housing units to provide shelter. People live in communities, not just in houses, and it is the quality of the social, cultural and physical environment that makes life not just tolerable but rewarding.

I don't believe there is any reason for all public housing to be in the city core. It can be accommodated in suburban areas and in such a way that it is in harmony with the people who are already entrenched there. Under our rent subsidy program, your government helps some people who otherwise could not afford to occupy housing, without discrimination, among people who do not require subsidies. That is one way of helping to encourage the growth of a healthy, stable mutually-supportive community, free of biases and unfounded animosities.

There are many other issues and problems arising from public housing on which I would appreciate your opinions and advice.

There is, of course, the question of rent scale -- the most equitable way of using the money we have to assure that everyone has access to the housing he or she needs. We are constantly reviewing and studying these rules to make sure they work fairly for everybody. We have to keep in mind, of course, that the assistance provided through CMHC is intended for housing and is only a part of the whole social support system which involves all three levels of government and several different departments. It is not sensible or efficient, for instance, to increase housing subsidies so that they will not only provide for the cost of shelter but, at the same time,



offset the cost of food, clothing, education and the whole range of a family's needs. If we try to make public housing do too much, we will simply bankrupt the program and it will break down.

Public housing is not just a solution to physical problems, or a way of overcoming economic difficulties, it is, to a very important extent, a social challenge. There is a lot more we have to know about the people who have a need for public housing -- how they feel about themselves and the place they live in. How they got into public housing, their hopes, what they think about their chances of improving their circumstances. What are the special influences -- good and bad -- on a child growing up in a public housing community?

We know some of the answers to some of these questions but we also make a lot of assumptions that are not likely to be based on fact. You, collectively, as an organization, know a great deal more about public housing than anybody in the country.

We also need to know more about some of the people who are not in public housing -- the people who start carrying petitions from door to door as soon as the rumors start about a public housing project in the neighborhood. What are they really upset and frightened about? It may be difficult but we ought to be responsive to their concerns. Where their problems are real, maybe we can introduce changes in public housing that

would eliminate them. Where problems are imaginary, maybe we can help demonstrate and explain the reality. We are ready to go a long way in accommodating the program to the concerns of the community but, at the same time, it has to be made clear that there is a moral obligation to share and that a mortgage doesn't give anyone the right to turn his neighborhood into a fortress. I don't want to see any child locked into a narrow, crowded, soul-killing urban environment just because some people believe that public housing should stay downtown. Every child, whatever his parents' circumstances, should have a chance to expand his horizons and be stimulated by the broadest possible range of human experience.

These are all problems that directly affect you and you are very well qualified to make an important contribution to their solution. You have got to be plugged into the decision-making process and you can do that best through your own organization -- at the national, regional or project level.

The theme of your conference is: "The Quality of Life -- A Challenge for Change". It very well expresses my own objectives for the public housing program and it suggests the kind of action we must take. The ultimate change for which I strive is to provide public housing in such a way that it is no longer an identifiable segment of any community.

Everyone is seeking a certain kind of quality in his life and everyone's ideal is likely to be different. It might be possible, for example, to do some kind of national



survey and discover what kind of housing, what kind of facilities what kind of a community would be most likely to provide most people with the quality of life they are seeking. The problem is that any one specific solution, although it might please many people, would be completely unacceptable to many others. The intelligent approach to satisfying people's needs -- in public housing, or in housing generally throughout the country -- is not to pursue ideal designs. The most satisfactory solution is to create the widest possible range of choice, so that people can pick the solution that most closely matches their own needs and preferences.

This is the approach we want to take with public housing. I don't want to say that public housing is downtown high-rise, or stacked town houses in the suburbs, or integrated units in non-profit housing projects, or any other form of housing. I would like to say that public housing can be any of these solutions -- and some that we haven't thought about yet -- depending upon what you and your family need and like. Public housing is a very high priority with this government, and very substantial funds are available to help low-income people with their housing. How those funds may be applied, to create what kind of housing, for what kinds of need, should be limited only by our imagination.

The fact is, however, you are already living in public housing. Some of it is good and some of it is not. Probably

all of it could be better. That is the Challenge for Change -- not just a change in our housing units but a change in the way we plan and manage that housing. The change is already afoot and you can see it in the growing acceptance of the idea that tenants should participate in the planning and management of their own environment. This is a trend I approve of and want very much to encourage.

But, let's not kid ourselves. It's not as simple as we make it sound when we are giving speeches about tenant participation. I think there is no question that tenants should articulate their preferences about the quality of life they expect from their housing. They are also capable -- probably to a greater extent than most people realize -- of making good decisions that will help translate these desires into practical reality. Through various kinds of training, this capability could be very much improved. But, as the issues become more specific, they become more difficult and are more likely to require very specialized skill and knowledge. That is one of the problems of participation -- drawing the line between what the tenant is able and ought to decide and what must be decided on the basis of an expert's specialized knowledge. It is by no means impossible to draw this line but it requires a measure of trust and mutual confidence and a very clear understanding, not only about the limits of everyone's authority, but also about the obligations each participant has towards

his neighbor and his community .... and I guess that means the kids, too. I hope it will not be long before the need for security attendants in some projects is eliminated. If we need guards, there is something wrong somewhere. We are not providing the right environment. And, by that, I don't just mean putting in some sand boxes and slides.

Your community should be a place in which you can achieve your greatest potential growth as a person -- physically, mentally and morally. Things can be bought or built, space can be created or re-arranged, to encourage and stimulate this kind of activity and we are more than ready to go along with workable ideas. Government can not afford to build and operate second-rate housing. Where government is the landlord, housing and its related facilities should be exemplary -- a model for the private sector to emulate.

There is just one other issue that I would like to raise and it has to do with responsibility. While tenants and other citizens may share in planning and decision-making, it is ultimately the minister -- a federal or provincial minister -- who must go before the legislature and the people and show that public funds were properly spent for the purposes set out in the law. He is accountable -- not the tenants -- for any mistakes and bad judgments. This is not an insuperable problem either but, again, it depends on an atmosphere of trust and confidence and a commitment to common objectives.

We are beginning to build that kind of trust and commitment and, if we go carefully, I am sure it will grow quickly. I think it will grow best in an atmosphere that is open and honest. I don't believe that it can arise out of confrontation and competing strategies.

I am sorry that my own participation in your conference has to be so brief. I would have liked to sit in on more of your sessions as you formulate your plans. I want to assure you, however, that I am very well represented here by CMHC people who share my sense of urgency about your problems. They will be giving me a very full accounting of your deliberations. I have high hopes that before you go back home, you will have reached some new understandings, will have taken some significant decisions, will have some important advice to give me, which will have a profound effect on the quality of life of public housing tenants in Canada. Thank you very much.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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NEWFOUNDLAND COMMAND OF  
THE ROYAL CANADIAN LEGION



AUGUST 21, 1975

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Commission  
de la Capitale  
Nationale



It is a pleasure to be asked to speak to the Newfoundland Command of the Royal Canadian Legion specially on the eve of your golden jubilee.

It is an extra pleasure to come to Newfoundland to this command in Canada's oldest city which so distinguished itself last summer in hosting the largest attendance ever at a national convention.

They tell me you had them sleeping on the CN ferry. That is packing them in.

Let me take a moment to wish you the very best of success in your golden jubilee plans and congratulate you on the contributions, to date, the Legion has made to veterans, their dependents and the community in general, during the past 50 years.

On this your 14th Biennial Provincial Convention, you may be proud that as a result of the Legion's contributions of advice and guidance over the years, you now have the world's most comprehensive programme for veterans.

In Newfoundland the Canadian Government has 7,000 clients who are being helped financially and in other ways. They receive nearly \$14 million annually in disability pensions, war veterans allowances and civilian war allowances. In addition,

there are nearly 400 active Veterans' Land Act accounts in Newfoundland with outstanding commitments valued at \$2½ million.

My Ministry, the Ministry of Urban Affairs, has recently become directly involved in veterans' assistance. The Department of Veterans' Affairs in concert with Central Mortgage and Housing, announced earlier this year new grants to make it easier for low-income veterans to purchase their own home.

My colleague, the Honourable Dan MacDonald, the Minister of Veterans' Affairs, and I worked together to develop a program of housing assistance for veterans to succeed the Veterans' Land Act. The VLA has served a particularly valuable role well beyond the period intended to help veterans re-establish themselves in the years following World War II. Thirty years later, the needs of veterans have changed. We are no longer a young, vigorous bunch returning from the battles, charging off to the hinterlands with our new brides to raise crops and babies.

The needs are different. Many are reaching retirement age or have passed it. Many of our comrades are having a tough time and veterans are the first to acknowledge that true comradeship requires that we look after those of our numbers in greatest need.

The Honorable Dan went over the Federal Government housing programs with me that benefit many Canadians with subsidies and grants. He offered even larger grants to be available for veterans. We are agreed that the full facilities of DVA and CMHC would be available to administer this special Veterans' Housing Program. A program designed for the needs of older veterans and their families. The needs of today and tomorrow rather than those of 20 or 30 years ago.

I do not know of another country in the world that has taken its veterans' legislation, and particularly its housing program, into another generation, that has adapted its general housing programs and tailored them to the real needs of veterans and the special ability of the legion and other veterans' organizations to use their skills, assets, manpower and organization to enter a new era of veterans' assistance.

As non-profit organizations, Legion Branches are qualified for available grants for development of low-rental housing projects primarily for veterans.

This new arrangement is well worth looking into. I urge your branch executives, if you have not already done so, to look closely at the process by which this assistance is made available.



The latest example of co-operation between the Department of Veterans' Affairs and Central Mortgage and Housing Corporation is in home ownership and non-profit housing programs, both of which have been augmented by DVA to provide special benefits to veterans.

Under the AHOP program, the Federal Government makes loans and gives interest-reducing grants to help families to own their own houses. Veterans who qualify for AHOP assistance, whether the mortgage is received from CMHC or an approved private lender, are now entitled to an additional grant from DVA of up to \$600 a year if they require further assistance. Although regular AHOP is restricted to the purchase of new homes, DVA will provide the annual grant of up to \$600 to veterans who wish to buy an existing house and who receive a mortgage loan from an approved lender. DVA will give the same assistance to a veteran who otherwise qualifies for AHOP but does not have dependent children.

AHOP provides subsidies up to \$600 a year for qualifying Canadians and even more in some cases. Add to this the additional \$600 yearly DVA subsidies and we get up to \$1,200 a year. In some special cases of need, it can be even higher.

Under the non-profit housing program, the Federal Government provides financial help to non-profit community organizations who want to build or buy housing for rental at reduced rates to people who need it. CMHC provides 100 per cent financing at a favorable rate, currently 8 per cent, and 10 per cent capital write-down. This means that only 90 per cent has to be paid back. In addition, start-up funds of up to \$10,000 are available to help get the project off the ground.

In the case of non-profit groups who obtain NHA loans to develop low-rental housing projects intended primarily, but not necessarily exclusively for veterans, if there are not enough veterans currently wanting accommodation, they are also entitled to a grant of 10 per cent of capital costs from DVA, over and above assistance provided by CMHC. This means that only 80 per cent has to be repaid.

This new assistance for veterans was introduced very recently but CMHC offices throughout Canada are now geared up to handle applications and the first few loans have already been made.

As I said before, this is a great opportunity for veterans' organizations to use all their energies in providing good accommodation at rents their members can afford. In many

cases, branches already have the property. Perhaps they were intending to build new quarters. In some cases, they may want to add to their plans and combine new facilities with assisted housing. I can see a lot of old legion halls across the country being replaced by excellent new buildings where some of their members live and have their legion quarters on the ground floor; a really great situation for older men and women to be able to enjoy legion comradeship by just walking downstairs or taking an elevator. It's the sort of opportunity and challenge that the legion can really get its teeth into. It's also the sort of support a grateful nation offers with pride.

When Dan MacDonald and I discussed this, we were ready to flip a coin to see which one of us could get in first!

The Assisted Home Ownership Program -- even without the added benefits for veterans -- has been extremely popular in Newfoundland as elsewhere in Canada. So far this year CMHC has invested more than \$16.5 million to help newfoundland families acquire their first houses. Another \$8.5 million has gone into special rental housing programs under which builders provide accommodation at rents agreed to with CMHC.

What makes Canada's programs for her veterans unique the world over is that concerns for veterans' circumstances are as intense as ever, even though veterans have raised a generation of men and women who are now as old or older than we were when we served in the armed forces.

The average age of the World War II veteran today is 59. I am, of course, a way below that average age myself but I'm not telling you by how many months!

And as the average veteran's age gets higher, the many services at his disposal are changed in their nature to fit his needs at the time.

Directly and indirectly, the children of veterans receive assistance as well. The Education Assistance Act, for example, gives direct aid to children of recipients of war veterans allowances, aid that they may take advantage of up to the age of 25.

Not only is the Canadian Legion seen by Government in it's second generation as a vital force, but also the Legion's 50th anniversary next year will mark it's turning point in another way.

The Legion, through it's new program "ACTION" (A Commitment to Improve Our Nation) is demonstrating its determination to assure its future as a dynamic force in Canada.

The discipline and business-like manner with which you are conducting this new phase of your endeavours is being watched by all concerned Canadians right across this country.



AN ADDRESS BY

J.W. MacNEILL

*Canada*

( SECRETARY OF THE MINISTRY OF STATE FOR URBAN AFFAIRS

AND *[Lithuania and Republic]*

HEAD OF THE CANADIAN DELEGATION

TO THE HABITAT PREPATORY MEETING

THE UNITED NATIONS  
New York, August 25, 1975



Mr. President:

The Canadian Delegation appreciates the concise review of the preparations for HABITAT that is contained in the Secretary - General's written report, PC/13. Mr. Penalosa's remarks just now impressively underline how much has taken place during the short month since that document was prepared. Both statements demonstrate that a great deal of progress has been achieved since the meeting here in January; that preparations are going remarkably well; and that HABITAT is likely to have the success it deserves in view of the importance of the issues with which it will deal.

We can all derive particular satisfaction from the immense progress that has been made in developing the audio-visual program for HABITAT. More than 100 countries are preparing more than 200 presentations which will provide immediate information on different approaches and solutions to a wide range of human settlements problems. No other UN conference has had such a practical and extensive storehouse of knowledge and experience available to it. This world wide effort certainly exceeds the expectations that I think we all had in January. If we can maintain this momentum, and I am convinced that we are dedicated to ensuring that it is maintained, then it will be seen as the first of many major objectives of HABITAT that has been not only met, but also successfully exceeded.

Canada, as host country, was grateful to have the opportunity

to participate in each of the four regional meetings. We learned important things at these meetings. We were exposed to high standards of arrangements and hospitality at Tehran, Cairo, Caracas and Geneva which we are certainly striving hard to achieve at Vancouver. We also learned a great deal about the national preparations of many countries and about the priority concerns shared by many countries at the regional level. The reports of those meetings make it clear that there is general acceptance of the present and lasting importance of human settlements issues and a substantial measure of agreement on the national and international actions required to tackle those issues.

Mr. Chairman, I want to express our appreciation to Mr. Penalosa and his staff for their efforts. This conference is well served by its relatively small, but untiring and dedicated secretariat.

As the Secretary-General has suggested, the Canadian delegation welcomes this opportunity to describe briefly the current state of our preparations as host country for HABITAT. Since my report to this committee in January, the Canadian preparations for HABITAT have accelerated. The financial resources to meet our host country obligations have been increased and the staff resources for the Canadian host and participation secretariats have been increased. Staff has been transferred to Vancouver with more to follow this fall. Increased financial resources have been made available to other countries to help them attend and prepare for the conference. And HABITAT, as a clearly indentified set of concerns and as a hope in dealing with them, is now known to many Canadians from coast to coast.

I would like Mr. Chairman to deal with our work under three main headings: first, the physical arrangements in Vancouver; second, our national preparations; and third, Canada's inter-

national activities and assistance for HABITAT.

### Preparations in Vancouver

Our host responsibilities in the Vancouver area have many dimensions. It is convenient, I think, to group them under four main categories: arrangements for the official conference plenary and committees; the special requirements of the audio-visual program; arrangements for the accommodation, transportation, communicationss, or, in a word, the comfort of participants including facilities for the large number of journalists; and, finally, arrangements for the non-governmental participants, the Habitat Forum, to the success of which we all attach a great deal of importance.

Mr. Chairman, I am attaching to my statement, which will be circulated, an annex in which the conference facilities are described in detail. I won't go into them now but I would like to assure you that the host governments of Canada, the Province of British Columbia and the City of Vancouver, are confident that the HABITAT meetings will take place in a pleasant and efficient setting.

The audio-visual program has been the object of particularly careful preparations especially in view of the great interest and support that is evident from all countries. We recognize that, although presentations should have a long and useful life after HABITAT is over, the two weeks in Vancouver should be utilized as far as possible to provide opportunities for experts from different countries to come together to see the presentations that are of greatest significance for them, and to discuss them with the originating country and with others. Again, you will find an annex to the printed version of my address which sets out the details of our present plans for the audio-visual program.



Habitat will likely be the largest UN conference ever held. The Canadian Host Secretariat has, for a long time, reserved most of the available accommodation within reach of the HABITAT site. Some countries have already begun to notify us as to the probable size of their delegation and we would appreciate such advice from other countries as soon as possible. During this session of the preparatory committee, my colleagues and I on the Canadian delegation would be glad to discuss the needs of individual countries with their representatives informally. The Host Secretariat will shortly be circulating a brochure on host arrangements to all members of the UN.

Habitat is attracting a great deal of interest among non-governmental organizations and private citizens. We expect that many of them will be in Vancouver during HABITAT to participate in the Habitat Forum and other events. We look forward at this meeting of the preparatory committee to hearing about the substantive arrangements for the forum. In Vancouver, a voluntary group, called the Association in Canada Serving Organizations for Human Settlements (ACSOH) has been established to handle the hosting arrangements for the Habitat Forum and other NGO activities. The Government of Canada has provided substantial support for this association. Under its direction, arrangements for accommodating the forum are progressing as interest in the forum mounts.

Before leaving the preparations in Vancouver, I would like to mention that the people of Vancouver recognize the importance of this occasion and they also are eager to welcome delegates to their city. During the period of the HABITAT conference an exciting cultural program is planned, involving music, theatre and other cultural presentations, both formal and informal.

#### National Preparations

In Canada - and I believe this is true of many countries - we

HABITAT as an opportunity to review our own domestic policies and programs in human settlements; to make the people of Canada aware of the great issues involved; and to help everyone realize their individual stake in the future of our settlements. This, we feel, is vital to stimulate the changes needed to ensure that Canadian cities and towns - our settlements - continue to provide a satisfactory living environment for all Canadians.

To this end, and as part of our broader host responsibilities, we are in the midst of a very extensive program of national preparations for HABITAT. They are designed to ensure that all levels of government, non-governmental organizations and individual Canadians can be involved in various ways in HABITAT and in the Habitat Forum. This is not the appropriate occasion to go into detail about each of these activities, but I would like to draw the attention of other delegations to the latest issue of our Habitat Bulletin. It was published a few days ago and you should have received a copy this morning.

I would like to mention, however, that between now and the end of November, there will take place across Canada 16 public meetings at which individual Canadians and their organizations are invited to make their views on human settlements matters known to the Canadian government. During this same period, there will also be as many as 14 special symposia on specific issues such as rural - urban migration, the problems of small communities, public land ownership and national growth management. If you are interested, details of these will be found in the Bulletin and in the printed version of my remarks. May I take this opportunity to emphasize that we, in Canada, would be glad to see representatives of other countries at any or all of these events. We hope that staff from some of the embassies in Ottawa might find it possible to attend and participate in these symposia.

In many of the countries here today, work on audio-visual

presentations is going ahead rapidly. Canada is also sponsoring a special one hour HABITAT film for use internationally on television. The film is being made by the National Film Board of Canada with the cooperation of countries in various regions of the world. This summer the film crew has been working in Canada and the U.S.A , in Jakarta, Singapore, Dakar and Warsaw. We, in Canada, are very grateful for the help we have received on this project.

You will find more information about these and other national preparations in the Bulletin and members of the Canadian delegation will be pleased to provide any further information you may want.

#### International Arrangements

Like many other countries, Mr. Chairman, Canada has been active in support of the international preparations for HABITAT, both in multilateral and bilateral contexts. Through the Canadian International Development Agency and the National Film Board, and in cooperation with the Habitat Secretariat, more than half a million dollars has been made available to assist approximately 30 developing countries in the preparation of their audio-visual presentations in Vancouver. Six film producers from Canada have been travelling the world this summer to help ensure that this program is successful. In addition, Canada has a program to support the attendance of up to 70 outstanding professionals from developing countries who might not otherwise have been able to attend. In conjunction with a commonwealth country in the Caribbean, we also intend to join in an experimental housing demonstration project that will utilize low cost, locally available materials.

Under an agreement with the International Institute for Environment and Development, Canada is providing assistance for



the publication - in advance of HABITAT - of a book on human settlements issues by Barbara Ward. We are also making funds available for the publication of a "habitat textbook" in which the lessons of the HABITAT conference can be summarized and made available to a word wide audience.

I hope, Mr. Chairman, that this report on Canada's as host government will prove helpful to delegates as we resume our discussions today. Since my report last January to this committee we have extended and intensified our national and international preparations for HABITAT. These preparatory activities will continue to expand as we get closer to HABITAT.

Finally, Mr. Chairman, I would like, on behalf of the Government of Canada, to reiterate our complete readiness to discharge our obligations as host nation.

Members of this committee know of the commitment Canada has had to the HABITAT conference from its beginning in Stockholm and of the importance that it attaches to its role as host. I am pleased to say that, as the Prime Minister of Canada himself has made clear, this commitment has not changed.

Delegates will know that we have recently had consultations with the Secretary-General on this matter in response to questions that have been raised with him concerning Canada's role as host of HABITAT. The Canadian Secretary of State for External Affairs, the Honourable Mr. MacEachan, reassured the Secretary-General last week, by telegram, that there is no change in Canada's long standing commitment to host the HABITAT conference in Vancouver in 1976. On the question of the basis for participation in the conference, Mr. MacEachan informed the Secretary-General, and I have been authorized to assure this committee, that Canada will host the HABITAT conference under the rules that normally apply to UN conferences.

In this connection, I might also add, Mr. Chairman, that we do not anticipate any difficulty with the proposed agreement with the UN for the conference and it is our hope that it will be signed in the near future.

Mr. Chairman, in the light of this clear assurance, I trust that any doubt there may have been on this question is now resolved and all member states will join in assuring that HABITAT is the success that matches the world's expectations. In the light of the report of the Secretary-General and the events planned in the next few months, the Canadian delegation is most confident that we are on our way to a most successful conference in Vancouver in June, 1976.

Mr. Chairman, I would like to repeat our appreciation for the opportunity we had to participate in recent events, especially the regional meetings. I would also like to underline our appreciation to the Secretary-General and his staff, and to all of those in the Secretariat and the specialized UN agencies who have contributed, for their work on which we are all dependent to ensure the success of our common efforts in realizing the aims of HABITAT.



# Remarks by the Honourable Barney Danson

# Discours de l'honorable Barney Danson

Minister of State  
for Urban Affairs

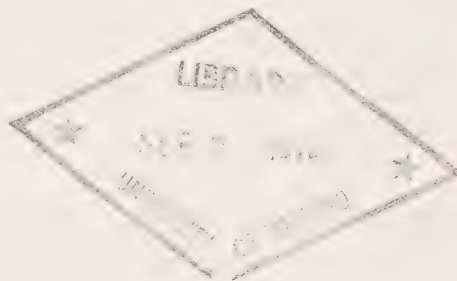
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PACIFIC SCIENCE CONGRESS

VANCOUVER, BRITISH COLUMBIA

AUGUST 27, 1975

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Urban environmental deterioration is the consequence of many factors: the historical development of a community, past commercial and industrial practices and policies, indeed if any policies did exist, social and economic change and the response of societies and their governments to these factors.

As the federal Minister of State for Urban Affairs, my direct intervention is somewhat proscribed by the jurisdictional responsibilities in our federal state. Those of you who live in unitary states probably find that your central government can have a greater direct and unfettered role to play. The jurisdictional differences in other federal states may be similar but I am sure there are many areas of difference. Because our country is so large and diverse while being relatively thinly populated, and the fact that our ten provincial governments have the paramount responsibility for the municipalities and their planning, we must almost always work through the provinces. I would prefer to use the term in cooperation with the provinces and their municipalities.

This coordination, this role of federal broker, is my role and that of my ministry, as I see it. There are very many things which we as a federal government do which very much affect the urban environment, yet these are not always positive interventions and less frequently are they coordinated. This has been the case in the past. My ministry's role is also to coordinate the various activities of many federal departments and ministries, their physical presence and their programs, to support agreed upon planning objectives of the provinces and municipalities. This is more easily said than done, but we are indeed making significant progress in many areas.

The mechanism we use is called the Tri-level process, bringing the federal, provincial and municipal leaders together to determine the objectives which we want to achieve to make certain that planning is rationale and deliberate, rather than ad hoc and sometimes at cross purposes.

This ad hoc route has served us reasonably well as a young and developing nation but in recent years we have seen the signs of rapid unmanaged growth and relatively rapid deterioration in many of our urban areas and especially in the urban cores. At the same time, we have seen our cities sprawling over the countryside, gobbling up prime and productive agricultural land and requiring new services and institutions. At the same time, we have seen chaos in major cities on this continent and throughout the world: the type of debilitating deterioration that we must avoid at all cost: we have also seen the accelerated use of the automobile as the common means of transportation and the need for its increase as our cities sprawl. We are beginning to be conscious of the immense environmental impact of the automobile and, as a consequence of the energy crisis, we are being disciplined into habits and policies which will restrain its use. The latter development might well be a blessing in disguise as it is forcing planning decisions we should have been making even without the high cost of gasoline.

We are endeavouring in Canada to slow down the rapid growth of our larger cities and to develop a decentralized and more balanced pattern of growth across the country. At the same time, we are determined to increase the quality of the urban environment, the vitality of our cities and develop a scale of living that is far more human, far more enjoyable and which has vibrance and vitality which one can experience in a major metropolis.

We are particularly fortunate in this country because we still have so many of our options open to us. There is still



time to prevent the degeneration or reverse its trend where it is developing. Together the three levels of government operating in concert have tremendous potential and even power to exercise these options wisely. We can set the tone and set the pace in which people can plan their futures and in which the private sector can function in a highly supportive and profitable way.

The tri-level process which I have described operates in different ways in different places. We deal with broader issues on a national tri-level basis, with more specific issues on a provincial or regional basis. But we can deal most effectively on what we call a metropolitan basis. This means that a decision-making group representing the three levels of government deals with the problems of the specific city or metropolitan region involved. And it is for this reason I should like to use this type of function as an example.

For illustrative purposes, I have chosen Winnipeg, Manitoba, a city of more than one half million located almost centrally in Canada where I can graphically illustrate the problems which are common to many cities in Canada. It is better than some, but its problems are more acute than others. What is more important is that the Mayor of Winnipeg, Stephen Juba, the Premier of Manitoba, Ed Schreyer, and those of his ministers involved, along with my colleagues, officials and myself, have sat down together and decided to do something. This is happening in other cities too, but Winnipeg illustrates a comprehensive and cooperative approach which serves as an excellent example.

While the tri-level discussions are at an early stage of development, the commitment is there and one already gets the feeling of excitement that often surrounds a project that one knows is moving ahead.

For those of you who are not familiar with our country,



I would like to use a few slides as a means of orientation.

You see Canada as a whole with Manitoba very much in the centre and Winnipeg in its southern part.

Here you see it more specifically located at the confluence of two rivers, the Red and the Assiniboine, natural features which have played an historic role in the exploration and development of our country, and you will also see the railway lines which are not natural but absolutely fundamental, not only in the development of Winnipeg, which, in a way, is the gateway to the west, but in the development of the west itself and the spinal column which has bound our confederation together.

Between 1750 and 1850, Winnipeg served mainly as a stopping off place for fur traders. From 1850 to World War I, we saw the great immigration from Europe and Asia which really developed our Western Provinces. In this era, Winnipeg served as an agricultural service centre for the whole prairie region and began to emerge as the warehouse for the West, supplying the goods and services for a vast and growing agricultural economy. The building of the railways in the 1880's intensified this function.

During both world wars, manufacturing developed as a major secondary sector and it, along with warehousing, wholesaling and the transportation functions continued to remain dominant.

Residential development took place naturally away from the central core out on the periphery and along both rivers. Industrial development tended to move out along the rail lines and the sprawl was on its way.

The city from the centre out can be divided into areas.

The central business ditrict has been largely abandoned as a residential area. There are some highrise apartments, a growing number of office buildings, the commercial and shopping centres, still many maginficent old warehouses, but a growing number of empty spaces largely devoted to parking lots.

The next area, peripheral to the central business dist- rict, is largely occupied by railyards with more warehouses and wholesaling operations taking up the space along the river banks, and generally enveloping the centre. Beyond this, is the transitional zone. The transition from industrial to residential uses. This is the area of Winnipeg's own skid row, the concentration of transient populations, hostels for itinerants and a growing concentration of native Canadians - our Indian people, who have migrated to the city and who are making the difficult, physical and social adjustments which accompany such migrations. They are part of the city, part of its character but not part of its main stream. Beyond this the city sprawls.

And the further it sprawls the more good farmland gets paved, the more the automobile becomes a necessity which helps ravage the central core.

Winnipeg possesses all of the elements of a good city - universities, cultural centres, sport facilities, examples of fine architecture and the economic base which is essential to its function. Because of the open spaces, however, these are often spread far apart.

Walking becomes less and less practical as the core dies. This is particularly so in a city where the winter climate frequently sees the temperatures drop to 40 degrees below zero, where wind velocities of 30 miles per hour are not uncommon.

The precious natural features of the rivers with their potential for beauty and recreation are there but thousands of citizens of Winnipeg are denied their enjoyment.

This is far from a disaster area. It is an enjoyable civilized city with the potential to be even better. It also has the potential to become worse and the citizens of Winnipeg along with their political representatives at all levels are determined, as are those of other cities, to do their very best to effect change for the better.

And there is this startling fact: There's enough unused or misused space in downtown Winnipeg alone to accommodate its natural growth for the next 15 to 20 years.

It is our responsibility in Urban Affairs to work with the other governments and other interested parties to come to an agreement on what needs to be done, what policies need to be in place to do something about this situation.

When we sat down with the other two levels of government to assess the situation, we found that there were over thirty independent major activities in the public sector alone, each affecting the growth of the city in an ad hoc, fragmented way and frequently at cross purposes.

In the private sector a number of major projects were in the planning stages. One of these was a huge complex of office buildings at the main corner in the central business section.

The intersection of Portage and Main streets is famous across Canada particularly in mid-winter where some of the statues have been known to stamp their feet and hug themselves and comment on the cold.



At the same time another commercial office complex was planned for the western part of the central core. One of the biggest commercial operations on the main street was planning a significant expansion. This raises the question of whether or not any one of these can be viable if all proceed at the same time.

The railroads were talking of moving their marshalling yards out while at the same time another plan was being studied by another body to build an overpass over these same railyards.

Another railway and a major service enterprise are investigating a massive joint-development program including office space and commercial uses. This plan alone would be of such a scale that it would have enormous impact on the whole future of the central core.

These are just some of the examples of private plans unilaterally conceived - a pattern which is being repeated in city after city across our country.

At the same time citizens' groups were getting into the action, proposing developments of communities of their own. It is essential that such groups be brought into the consultative process at a very early stage, but it is equally essential that their efforts are not expended in a vacuum.

The Chinese community had recently completed a study with the help of consultants, to re-vitalize that section known as Chinatown. A unique and attractive community in many of our cities which adds vitality and adds to the cultural mosaic which gives Canada a special dimension in which we all take considerable pride and are mutually enriched.

At the same time the municipality, as would any prog-

ressive municipality, had its own plans.

The City was already concerned about the lack of coordination of the many activities in the inner city and its paucity of resources to tackle the root problems in that area.

They had made a proposal to the province to solve the skid-row problem. They had also devoted manpower and money to neighbourhood improvement programs sponsored by Central Mortgage and Housing Corporation - the housing arm of my portfolio, which extends its activities beyond housing into area of community enrichment and planning.

The province's interests in Winnipeg's development was certainly far more than casual. Winnipeg is the capital of Manitoba and is also the province's largest urban region with something like half the population of the province and a greater percentage of the provincial income.

The government of Manitoba had declared the inner city an urban priority and had undertaken a number of major reviews with the intention of launching a comprehensive attack in the area of economic and human resources. Provincial activity was mainly affected through its social welfare, health, housing and cultural development assistance programs.

Finally we, the federal government, because of our jurisdiction over such sectoral concerns as the airport, jurisdiction over the railways, defence installations, the site of government buildings and offices for various federal government services, the numerous urban renewal or neighbourhood improvement programs, had intrinsic interest and influence in the growth of Winnipeg. My Ministry's role, as I have mentioned, is to bring all of these actors together. Winnipeg presented a great challenge and a great opportunity to all of us.



We have established a tri-level body incorporating the municipal, provincial and federal governments to coordinate all these disparate intentions and to develop our role together to achieve the objectives which will best serve the people of Winnipeg.

At the federal level we have a maze of activities, some of which I have mentioned. In addition we have very specific legislation such as our Railway Relocation Act which can be used as the mechanism to relocate the railyards and lines so that they are not an area of urban blight but provide service and make available large tracts of land in the central core so that this core can be re-generated and new or improved neighbourhoods developed. This requires the initiative and participation of both the city and the province.

Through the Ministry of Transport's Transportation Development Agency we are working with the City of Winnipeg and have engaged consultants to examine the feasibility of mass transit in one of the existing rail corridors which fans out from the city centre to the periphery.

We have our Urbex program which develops better use for federal properties and the areas in which they are located.

Our Neighbourhood Improvement Programs are working in two designated areas where we have planning underway to revitalize these older areas in the city core rather than bulldoze them and build spanking new shiny white inhuman and impersonal areas which destroy the character and continuity of a community. This is done through Central Mortgage and Housing Corporation which has also, in the last eighteen months alone, financed 23 public land assembly projects involving 3500 acres along future trunk lines.

And also through CMHC, Winnipeg is one of the 22 major

metropolitan areas in Canada involved in a special urban mapping program. It plots all present land holdings, shows existing and future services related to urban growth, indicates impediments to growth and desirable directions in which growth could take place.

Winnipeg, then, is an example of just what can be done when various elements are brought together by the public and private sectors and one of which we can be proud. We are well on our way to protecting the interests of all parties concerned while we coordinate all efforts towards keeping the city a more human and productive place in which to work and in which to live.

The problems are great.

The options open and the opportunities to resolve the problems are enormous as well.

Instead of seeing further deterioration and emptying of the urban core with our land development, commercial and housing development spreading further and further out on the Prairie it can be compacted and re-vitalized making it far more efficient and far more livable.

I think it is fair to say that this process, the tri-level process, is taking a great deal of uncertainty out of the minds of municipal officials. It is showing, not just in Winnipeg but elsewhere, as we are in the process of doing right here in Vancouver with Greater Vancouver Regional District, that there are steps which the municipalities can take in concert with their province and ourselves. What is most important is that these steps give the cities the power to ensure that the right things happen in their city. There has been a great deal of sharing of information as a result of this process. The three levels of government are much more willing than formerly

to lay their cards on the table, to be frank with one another about their hopes and their plans. As a result, the considerable expenditure of public funds in the target areas to be improved is given much greater effect as part of an agreed upon plan of action implemented in a coordinated manner.

As I mentioned there are immense difficulties, some of which are unforeseen. I do, however, see emerging a need for a special type of conglomerate or corporate vehicle for merging the interests of the various levels of government and the private sector to provide the delivery mechanism for viable and even profitable development of areas of re-development or of railway relocation. The advantages for all elements are considerable, but bringing these element together and protecting the interests of each, and especially the interests of the people, is complex.

My ministry is currently developing several models, one or more of which might be appropriate to act as the catalyst for specific but large scale developments which may be components of a major urban plan. Such a mechanism would be the depository of the interests of each of those involved so that the interests are in place. The economics are in place and the planning is developed. In this way the project can proceed relatively unfettered by jurisdictional differences or squabbles, so the very best and coordinated use of the assets with which each of us is entrusted can be used to the common good without debilitating delay and economic loss. Indeed, in many cases, but certainly not all, these can be profitable in a direct economic sense. In other cases they are economic in human and social terms.

I don't know how this might apply to the cities in the countries from which you have come, but I thought that you might find it of interest to know the direction in which we are trying to move. We are interested in exchanging ideas with you in your countries, in the knowledge that we can all benefit from one



another's experience and in applying them to our own unique situations. Indeed this is one of the main reasons for the United Nations Conference on Human Settlements to take place in this City next June.

I realize that in many ways we are in a specially favoured position, with the resources, the technology, the space to do many of the things that need doing. In more mature societies and in less affluent societies and especially in those with massive populations there are some crisis situations far more serious than ours.

We must, as fellow inhabitants of this earth, help one another with the exchange of technology, the sharing of resources, help resolve these massive urban problems that are plaguing our planet and which in the future will accelerate to conceivably explosive levels.

Perhaps, to many of you, the picture of Winnipeg, its history and its uniquely vital and varied society might seem a little quaint. The problems may seem remote. We in Canada, however, are determined that as our growth continues and the concentration in our urban areas increases, that it will be a thoughtful and foresighted development; growth and revitalization that is sensitive to people; sensitive to the critical need to assess and conserve diminishing energy resources, and sensitive above all to the natural environment with which we have been endowed.

It is to these ends that I see my ministry working with dedication and also with a sense of urgency.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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YELLOWKNIFE, NWT  
October 1, 1975



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I appreciate the opportunity to speak to this conference. Over the past few years in all parts of Canada municipal governments have had greater opportunity to co-operate with and become involved in national housing programs. This involvement will increase in coming years, and I feel it is most important that municipal officials, both elected and appointed, understand the national housing policy and its general objectives, as well as its specific application in their particular areas.

I think we can all agree at the outset that good housing is fundamental to a stable and satisfying society. In saying this, I am not limiting our concern just to housing in its narrowest sense, but to its broader implications in relationship to the community as a whole. Our objective is not only to give all Canadians access to good, affordable housing, but to ensure that this housing is located in a safe and satisfying community environment.

That goal cannot be achieved anywhere without the involvement of municipal governments.

I realize that the municipalities you represent have unique problems associated with an invigorating but not always friendly climate, the vast distances from centres of supply, the relatively short season for shipping, and the type of terrain that does not always lend itself readily to building purposes.

All of this, and other considerations I have not even touched on, add up to cost factors that are not common to other parts of the country, and which are an added complication in your efforts to provide decent housing at affordable prices to territorial residents.

In the last year, Central Mortgage and Housing Corporation has, as you know, become active here in a much more substantial way than ever before. In fact, the CMHC budget for the Northwest Territories this year is higher per capita than anywhere else in Canada.

Specifically, CMHC has budgetted more than \$20 million in capital funds for the Territories this year, four times more than last year. More than half of this amount is for public housing. Other significant portions are for land assembly, sewage treatment programs, and direct loans.

As Minister in charge of housing, I can assure you that this is only a beginning. I am willing to join forces with the Minister of Indian Affairs and Northern Development, Judd Buchanan, in seeking funds for CMHC and the Northwest Territories government to deliver, over a five-year period, the necessary units to meet the urgent needs of northern housing.

I might also mention that our policy will be to allow people to use CMHC programs either for rental or ownership, whichever is their choice, and to offer enough program options

to meet a very broad range of requirements. This is in keeping with the increasing emphasis in the territories towards ownership rather than leasing arrangements.

The only condition I would attach is that we will require firm assurance from any group that the people they represent will be given every opportunity for maximum participation in the planning and delivery of housing units -- in keeping, of course, with their experience and ability to contribute.

I know that the special problems in the Territories often require innovation in design and construction. People who live in the Territories understand best what types of dwellings are most suited to this environment. The type of construction, the materials used, the design and many other factors must be determined in the light of stringent demands that do not apply elsewhere.

We realize this, and CMHC is willing to consider all reasonable proposals for experimenting with new patterns and forms of houses that may be better adapted to the environment.

We are well aware that our policies must have some built-in flexibility if we are to give you realistic assistance in providing low-income housing. In fact, CMHC has already shown its willingness to make certain concessions to meet the special needs of the Northwest Territories.

My officials at CMHC have, for example, agreed to advance funds for public housing as soon as it leaves the factory, rather than at various stages of on-site construction. In other parts of the country, when CMHC provides funds for the assembly of land for public housing, a condition is that house construction begin within a year's time. Here, that condition has been removed because it is not practical.

In addition, I am very pleased to tell you that CMHC has, just within the last few days, increased the maximum price level in the Territories for a house that can be bought under the Assisted Home Ownership Program. AHOP assistance in the form of a loan and interest-reducing grants is now available for houses here priced up to \$39,500, an increase of almost 10 per cent over the previous maximum of \$36,000. This increase is expected to extend the benefits of AHOP to more potential home owners in the Territories.

A few years ago CMHC introduced the Neighborhood Improvement Program as an effective means of preserving and maintaining a good community environment. Closely associated with NIP is the Residential Rehabilitation Assistance Program, more commonly known as RRAP. Its purpose is to help restore run-down houses to acceptable standards of health and safety and, by doing so, to extend their useful life for as much as 15 years.



RRAP can be available in small, rural communities, as designated by Order-in-Council, for the renovation of single family housing units.

It is obviously impractical for NIP to be operated in the Territories, since it could realistically apply only in communities like Yellowknife. CMHC, with the concurrence of the Territorial Government, is therefore seeking approval for the designation of the entire Northwest Territories as a special rural RRAP area.

Rural RRAP would be of help to many people in the Territories. Under the program, CMHC will lend up to \$5,000 for rehabilitation of a house, at very favorable rates, and the first \$2,500 of the loan can be forgivable, depending on income.

Municipalities have the option of administering these loans, at a fee of \$150 a loan, or allowing CMHC to do the job. So far, in other parts of the country, about half of the municipalities are willing to have CMHC handle this responsibility. It surprises me that municipalities should delegate this responsibility so readily. We are certainly prepared to help communities that don't have adequate resources but, generally speaking, I feel these matters would be much more appropriately dealt with by municipal officials than by CMHC staff.

A desirable side-effect of the growth of RRAP elsewhere has been the introduction or enforcement by many municipalities, for the first time, of maintenance and occupancy by-laws that are a requirement for eligibility.

It has become apparent that the administration of RRAP requires different kinds of skill and knowledge than are required of, say, an inspector of new houses. Not only is it a different technology but the clients in many communities frequently require a good deal of personal counselling and advice. This will probably be the case here as well, and those responsible for administering RRAP will likely be called upon for extensive guidance in order to ensure that eligible people can obtain the funds they are entitled to and use them most advantageously.

An additional problem, in many parts of the country, is that there is no adequate rehabilitation industry to respond to the growing demand for this kind of service. Large building firms seem to find it unprofitable, and there are not enough experienced small firms to handle the volume. This will, I believe, be an even greater challenge here than elsewhere because of your relative remoteness from large centres where such firms may generally be found. But northern people are ingenious people, and "do-it-yourself" repairs and renovations to existing housing would be an excellent example of the involvement of people in self-help projects.

CMHC is currently considering ways of tackling both these problems -- helping to develop an efficient rehabilitation industry and assisting in the training and development of municipal officials with the special skills required for the administration of rehabilitation projects. Certainly, CMHC officials will be most pleased to provide any reasonable assistance possible to municipal officials in the Northwest Territories.

Special arrangements in certain programs for the Territories have been made because we realize that policies which are reasonable in other parts of Canada are not necessarily just as reasonable in the environment of the Northwest Territories, and we have been more than pleased to make reasonable concessions.

This sort of flexibility is shown as well in the provision of public housing under Section 40 of the National Housing Act, which authorizes CMHC to undertake such projects jointly with the government of any province -- or, in this case, with the Northwest Territories Housing Corporation. Under a policy change introduced two years ago, this section of the act is applied so as to provide a purchase option for tenants of public housing.

We hope in this way that more families can live in their homes as owners, rather than tenants, and thereby establish themselves more solidly as responsible members of the community.

Much has been done and much more is planned here through the Rural and Native Housing programs of CMHC. The Metis Housing group, which I understand is obtaining incorporation as a non-profit housing agency, will find CMHC most co-operative and helpful.

Already, CMHC has provided sustaining funds of \$112,000 to the Metis group, as well as \$134,000 for emergency repairs to existing housing. When the necessary agreements are acceptable to all parties, including the Territories Government, there will be more and more emphasis on home ownership and co-operative housing rather than rental accommodation. I would just like to take this opportunity to congratulate the Metis group on their initiative, which holds great promise for the future.

I would like to mention two other federal housing programs that are of particular interest to municipalities -- land assembly and sewage treatment.

The federal government is committed to providing at least \$100 million a year throughout Canada over a five-year period to help with the public assembly of land.



Through this assistance we hope to promote an orderly and responsible land market, and, as I mentioned earlier, we hope through an equitable formula to make serviced land here available at prices people of modest income can afford. We believe that, by these means, we can encourage a high standard of housing and community development.

The federal land assembly program includes a number of conditions designed to help Canadian communities surmount certain difficulties they have met in the past.

One condition of federal funding for the development of land is that all profits derived from the land must be put back into the project.

This can be in the form of serviced land for low-income housing, land for open space or community facilities, at no cost to the local government, and capital for the erection of community service buildings and the development of recreational lands.

Federal land assembly funds may be used to finance connecting trunk services. Repayment of the principal can be deferred until revenues start coming in.

In order to achieve the greatest possible impact, after January 1, 1976, land assembly funds will be available only for municipalities that have land development plans and strategies.



This means simply that officials of every community should be able to establish the total need for serviced land over the next few years, to insure that land needs can be fulfilled.

Among other benefits, these plans will help us to make sure that we have the funds for you when you need them.

In the Territories, CMHC budgetted for about \$2.7 million for land assembly this year. This amount and a bit more was put to use, and I know that plans are well developed here for further effective use of the land assembly program.

A related municipal assistance measure is the Sewage Treatment Assistance Program. As you may know, virtually all of the sewage treatment facilities built in Canada in recent years have been financed and assisted by this program.

After a thorough review of the program and its operations the act was recently amended to ensure its continued operation and to make it more relevant to the country's needs.

For the first time, storm trunk sewers are eligible for loans and forgiveness grants, where they are used to open up new residential development. Up until now, only sanitary trunk sewers were included.

There is now no time limit for completing sewerage projects in order to qualify for forgiveness grants.

There is another innovation which benefits small communities who incur a heavy tax burden in providing sewage treatment. Special assistance will be available to communities which, because of their size, or difficult terrain, have a high per capita cost.

I think it is not generally known but there is also special assistance available for communities under 5,000 population. In these cases, depending on population, CMHC will finance a proportion of the entire sanitary sewer collection system -- not just the trunks.

The new program also provides assistance for the development of regional sewerage plans.

It provides that municipalities who borrow capital for eligible programs from private sources, rather than from CMHC, will nevertheless be eligible for the 25 per cent forgiveness grants.

These measures may well be of particular significance here. In order that this program is used to the best advantage, the act now requires that there must be an agreement setting out, among other things, the general objectives for urban growth, water management and control of the environment. Such an agreement has just been signed with the Territories Government. We are now negotiating these agreements elsewhere, and I am happy to say that they are, in general, going well.

All of these measures are important here as elsewhere because of the serious need for affordable housing. I am hopeful that, with co-operation on a territorial and provincial basis as well as at the municipal leadership level, these programs will effectively complement other CMHC programs in finding solutions to housing and environmental problems of monumental proportions.

I know that there are a variety of thoughts on how federal funds to this end could best be allocated. I am not lacking on suggestions from just about every part of Canada on that point.

However, I must point out that our priorities must be established in accordance with national objectives. We attempt to devise and offer programs that are broad enough and versatile enough to provide acceptable and effective options anywhere in Canada, and I think we have largely succeeded in doing so.

But we realize that in this vast and varied country the problems, the needs and the objectives will not be the same everywhere, so we build enough flexibility into our programs to allow for local adaptation. The results of that flexibility are no better exemplified than in the Northwest Territories, where the municipalities deal with CMHC through the Territorial Government.

As all of you know so well, the distances between communities here can impede the orderly progress of business, and we are studying ways and means by which CMHC can maintain a closer contact with all of you. One suggestion that is not too implausible is the possibility of establishing a "Flying CMHC Service", similar to the "Flying Banks" which regularly service various communities.

Under this proposal, the CMHC office in Yellowknife would let various communities know well in advance when personnel would fly in to transact business. The suggestion is interesting, and will receive further study regarding its practicality and potential.

I am determined that here as elsewhere, we will meet the housing needs of all Canadians. I must emphasize that we will need the support, the co-operation and, most importantly, the dedicated involvement of municipal governments in order to meet our objectives.

My ministry and CMHC, with the concurrence of the Territorial Government, are always ready to give you whatever help you require in providing decent, affordable housing to people in the Territories. That is a common goal, and we should be able to work towards it effectively.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
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When you ask a politician to speak these days you're taking a risk; it's like asking a bore about his operation. All we've got on our minds is problems and crises. Of course, there is one difference: my problems are your problems. That's one of the nice things about democracy: we share.

The problems of democracy today add up to a crisis spelled out in such headlines as: "Is Democracy Governable?" "Can the Market Economy Survive?"

Ten years ago such questions would never have been raised. Today they're one of the reasons that the government has introduced a policy of selective price and wage restraint. They're a measure of doubt in a social system threatened by world inflation, the most wide-spread major inflation in world history.

Here we are in a country where we take freedom for granted, one of the richest countries in the world, a country with the resources to solve every problem but one: inflation. And that really isn't one problem, it's a complex of problems summed up in one: how to control the energy of freedom before there's no freedom left to control.

A free society functions on belief in equality and justice, on support of law and order, on willingness to put public interest first. And last but far from least, on faith

that it will function. But today the system is being wracked by extremes of violence and apathy, spawning cynicism, illegality, disorder, self-interest and doubt.

The causes are rooted deep in society's material goals, in the consequent decline of values, and the decay of social disciplines now turning the long-term trend to equality into a drive for short-term rights. We sold our way of life with rhetoric about equality and today the young -- and the not-so-young -- want everything going -- and now. The trend to bigness -- big business, big labour, big government -- is alienating the leaders and the led.

Society is in ferment. Everyone wants more rights. And this translates in almost every case into demands on society. Demands by students to decide how they should be educated. Demands by consumer groups to restrict the power of corporations. Demands by environmentalists, minorities, women's groups. Demands for subsidies, loans, tax concessions, welfare of all kinds. Legitimate demands but they all add up to more money at a time when the economy is giving us less. And everyone knows this -- every group knows that to take more means less for others. Yet everyone acts as though restraint should be practiced by someone else.

Our freedom depends on restraint; its energy needs to be checked; all machines have limits and when they're exceeded, they self-destruct. Freedom and restraint are

opposite sides of the same coin, but lately freedom seems like a coin with one badly worn side. Bit by bit our restraints are wearing away.

Inflation is a symptom of lack of restraint, a symptom of the underlying illness. But it's more than a symptom -- it's like cancer, where the cells flout the rules that govern the health of the organism. It begins as a symptom... it ends as a cause.

Inflation has always been with us, a mild infection accompanying growth. I'm sure few of us can remember a time when some prices haven't been rising. But around 1973 a number of forces converged, and suddenly a mild disease turned malignant.

First, the economy took off, not only in North America, but also in Europe and Japan, where people began to live like us and enjoy it. Shortages began to develop -- metals, wood, food -- shortages that the experts had thought were a couple of decades away. And as demand was rising, nature was cutting back on supply: drought in North Africa, floods in Pakistan, the worst weather of a century in Russia, and the anchovies who provide the world with its largest source of fishmeal irresponsibly failed to show off the coast of Peru. The United States devalued the dollar for the second time in '73, ours dropped to keep it company, and our grain became a great buy. China and Russia bought huge amounts, and overnight, it seemed, we moved from a surplus to a shortage.



Cereal prices quadrupled and the Arabs picked this time to write finis to the era of cheap power -- their advisers had gone to the Harvard School of Business.

Cereal, of course, is the major human, livestock and poultry food, the base of the world food economy as oil is the base of production. Living costs soared and inflation was underway.

The dollar shrunk and unions levered wages up to stay even. The big companies, who control the price of their products by tacit agreement, simply passed their added costs on to consumers. And the cost of living rose again: the classic inflationary spiral.

That was the first stage: chronic inflation, imported from abroad. Now it entered its second and self-destructive stage. And this involved us all, government, business, labour and the public.

The government, overburdened already, was faced with a Hobson's choice. We could keep inflation from running wild by tightening the money supply and ignore the instant outcry as business laid workers off. Or we could jack up the money supply with nasty, but later, consequences.

It's always the same in a democracy. You're pressured to deal with the immediate, to postpone the immediate pain of unemployment. But as government pushed up the money supply -- the supply of paper money -- the supply of real money -- money measured by goods produced -- contracted.

Now businessmen were faced with a dilemma. The only way out of inflation is to cut demand or increase production. But with a liquidity crunch in sight, businessmen stalled off new commitments. They decided to wait and see, to stay liquid; they didn't want to be caught short.

And so the economy slowed. People were laid off -- not by judgment founded on fact, but by judgment swayed by fear and uncertainty.

The trade union leaders faced an equally hard choice. They could use their monopolistic power to keep wages ahead of prices and keep the members satisfied with their leadership. Or they could exercise restraint and help keep prices down, and ensure that some of their members wouldn't be laid off. Like government, like business, they chose the short-term gain. They pushed prices up with a bigger wage component.

And by now the public was in the grip of inflation. As a friend of mine says, "It's like this. My wife goes out and buys a fur coat she doesn't need in the least. I say, 'Why did you buy that?' and she says, 'It's going to be much more expensive next year.' I say, 'But if millions of women do what you're doing, prices are bound to go up.' 'But if millions of women are going to do it,' she says, 'what's the use of me stopping?'"

At this point, inflation is like the shark who when wounded eats its own entrails: it had begun to feed upon itself. Economists were predicting higher prices and unions were forcing up wages to meet them -- the perfect case of a self-fulfilling prediction. "A thing perceived as real", sociologist Ivor Bulmer-Thomas says, "is real in its consequence

But power is addictive. It breeds addicts. It's never satisfied. At first the motto of "Catch up" meant "Catch up with prices." Now it means "Catch up with the workers making more money in the same industry." "Catch up with workers making more money across Canada". "Catch up with the biggest increases of workers anywhere, regardless of how far those workers were behind." Businessmen are setting prices high enough to insulate themselves from the most exaggerated predictions of future cost levels. Society today resembles a lineup for a theatre where everyone pushes ahead of everyone else.

This misuse of power spawns anti-social attitudes. Power calls for union solidarity, and to reinforce it, some union leaders stir up hostility against the employer. But, hostility as a weapon is double-edged. Once aroused, it turns against all authority. And so we have crippling rise in wildcats and settlement turn-downs. Excessive demands. Unresolved problems after the contract. It all testifies to the manner in which inflation undermines reason.

We've reached the stage where it's no longer just union versus management. It's union employed versus union unemployed. It's the weak union versus the strong union, the union versus the public. Inflation is splitting the union movement. It's setting group against group. Nothing breaks down society faster than the self-centred use of power.

Not surprisingly, we're getting such headlines as "Have Unions Outlived Their Usefulness?" And according to a gallup poll, a majority of Ontario citizens now oppose the right of public servants to strike. Two years ago the corporation was the villain of the industrial scene. Today, because of inflation, it's both.

I've never seen the mood of the country so dangerously anti-labour. The economy isn't growing. We're slicing the same old pie. And when the most powerful take more, everyone else gets less. So two out of three Canadians are falling behind and they're getting mad.

This is unfair. The unions are the victims as well as the agents of inflation. But inflation embitters and corrupts. It embitters some by unfairly taking away the wealth they've earned. It corrupts some by giving them wealth they haven't earned. The ethic of giving to society is destroyed by the action of taking, and we think less of society and ourselves.



The worst demoralization is among the middle class, the silent salaried majority who make our institutions work. They see their savings melting away, their stocks and bonds losing value. They fear a collapse of currency that will shrink the worth of their property. They're worried about depression, and unemployment, and their pensions. Inflation makes us all self-concerned.

It spreads resentment. People see a steady transfer of wealth from the weak to the strong with no regard for merit, effort, or economic contribution. It makes them see the economic system as unfair, and it makes the political system seem inept.

Our confidence in government is weakened, we have confidence only in greed. All leadership is discredited. We begin to think there's no answer. We lose faith in the system, then we lose faith in its currency. Money grows cheaper by the month, the week, and finally, by the day.

This is not going to be the scenario for Canada. It's the job of the government to see that justice is done, to provide law and order, to free citizens of fear, and we can't do this unless we can stabilize prices, unless we restore public confidence in money.

The 1946 dollar is now worth 38 cents and in another ten years, at the present rate of inflation, its value will be down to nine cents. We live in the shadow of a worldwide currency breakdown.



Last fall we held recession off with tax cuts and deficits, but now we're paying for it with higher prices. And labour is catching up at a rate of 18.8 per cent, more than the increase in productivity and living costs combined. Wages in Canada for the past year have risen at twice the U.S. rate, and wages, according to our Cost of Living Council, make up about two-thirds of the gross value of production, which means higher costs, reduced exports, less production and more unemployment.

Already, production is falling while the cost of living goes up. Indeed, it's clear that falling production is due in large measure to rising prices, to the inability of many people to pay them.

There is no longer any question of where we should place our priority. Inflation is now Public Enemy No. 1. It threatens not only the economy but democracy: our freedom. It must be brought under control. It must be restrained.

But how? That was the question we took to a series of meetings earlier this year with leaders of provincial governments, industry and labour. We were hoping to reach a consensus on voluntary restraint.

There are probably many reasons why we didn't bring it off, but no doubt fear was the biggest: fear of being penalized for possession of a conscience, fear of being ripped

off by those without one. No one wants to show restraint unless they're sure that everyone else will. As I noted on a sign in front of a church the other day: "Virtue cannot live in solitude."

The government's new program of price and wage restraints is designed to provide that assurance. And I don't mind admitting we launched it with reluctance. We launched it over private misgivings and after heated debate. No government wants to interfere with the cherished rights and privileges of its most powerful constituents; its only certain reward is unpopularity. We knew that some power blocs would say it won't work because it limits their power. And we knew that some would say it won't work because it limits their personal gain. We knew that others are sincere in their doubt, and that many, too many, still want to believe that things will work out by themselves.

But we also knew this: that the nation as a whole feels that our present course leads to calamity, that the nation is crying for leadership on a course that will pull us together, and that although business and labour wouldn't give us a consensus, the nation as a whole is now demanding it.

We don't pretend that this course will be smooth; we know there are plenty of potholes. We don't pretend to have the perfect solution. Any economic illiterate can find fault

with the program -- I can find fault with it. But it wasn't a matter of picking the least unattractive. It's what Winston Churchill said about democracy, "It's the worst system, except for all the others."

We're also aware that a program per se is no guarantee of success. It depends on the program and how it's administered. One of the reasons that the U.S. price and wage program failed is that most of its administrators didn't believe in it. And when it started to slow inflation in 1972 they dropped the restrictions, in the novel notion, as Kenneth Galbraith puts it, "that when a policy is working it should be abandoned."

We're all too aware of what the critics say. A price and wage policy can be unfair, unforceable, and disruptive. It can destroy incentive, slow production and create shortages. It can raise a false sense of security, a dangerous dependence on the illusion that the program, by itself, will control inflation.

These were the dangers we had in mind as we worked out a four-pronged attack. First, we knew we could blow it with the wrong fiscal program. We can't make money so tight that we slow production, and we can't expand it so fast that demand pressures prices. We have to maintain a balance between supply and demand, so we'll let money grow at the rate of the economy.

Second, we know that all governments have grown faster than the economy, and we realize how government spending pumps up prices. Most of the increased federal spending has been in pensions, family allowances, and unemployment and other welfare payments, and there isn't much that we can, or want to, squeeze out of this; in fact, pensions and welfare payments will have to rise with the cost of living; and a rise in our spending on oil is unavoidable. But we're going to cut back the rate of increase in government employment: from 4.1 per cent this year and 7 per cent for the two previous years to 1.5 per cent in the next fiscal year. We're going to cut back on travel, on spending for furniture, cars, and consultants. We'll try to hold growth in government down to the growth in the G.N.P.

Third, we recognize what we call structural problems. Some goods are scarce and the only way to get more of them is to pay more. The obvious example is energy. As the world oil price rises we'll have to let our price rise, but we'll keep the damage down by doing it gradually. Rental housing is lagging. We need more houses for rent, so we have to make building profitable for builders.

Food is another special case. Farmers' costs are going up and world demand exceeds world supply. If we're going to ensure that we get enough food, farmers have to get better prices. So the guidelines don't apply to farmers and



fishermen. In any case, unlike big companies, they're still in a market economy. They still compete. If they overproduce, their prices will come down. The law of supply and demand controls them a lot better than we could.

Perhaps the biggest structural problem will be wages. Some groups have been left behind while others have made big gains. So we'll have to ask some to hold the line while others move ahead. The program has to be fair and just, and it has to be seen to be fair.

The last of our quartet of policies are the guidelines themselves. We have to have an agency, but we'll keep it as small as we can, we'll do all we can to repeal Parkinson's law. We don't want to discourage initiative. We don't want to discourage production. So we've built-in incentives for firms to make more by pushing output up. Profit margins can't rise, but total profits can. People can still earn more, through promotion, or working longer and harder. Unions can still bargain, but they can't get more than the formula allows: a cost-of-living figure, set for this year at 8 per cent, plus the long-term national rate of productivity, 2 per cent. For groups that fall behind there's a catch-up factor, but those who push ahead will be cut back. Our aim is to give all an equal share in the nation's productivity.



We believe -- we've certainly tried -- to come up with a format shaped to our principles. We stress restraint, and only if restraint fails will we compel.

The program gives the finance minister wide discretionary powers. He can say to a firm, "Roll your prices back" if he thinks the rise wasn't justified, and this is enforceable by the courts. He can say to a firm, "Reimburse your customer for past overcharges." Or he can order an overcharge to be paid to the Receiver-General.

We don't say this will stop prices from rising; some, like oil, are beyond our control. We do believe it will slow the rate of increase. We don't say it will take effect immediately; old and new increases have to work their way through the economy. We do believe we'll start to see a gain in perhaps a year. When something has gone on as long as this, there's no overnight cure. Indeed, we don't suggest that this program is a cure. We do believe it can break the self-feeding cycle. We believe it will give us time to apply the only long-term remedy: innovation, productivity and cooperation, human intelligence, energy and common sense.

The question is, can we break the cycle? Can we resolve our conflicts? Can we master hostility? Can we cooperate? Having demanded leadership, will we live up to it? Will we follow the lead with the effort required? Are we willing to pay the price?

Personally, I think the price is right. The sacrifices we're called on to make are slight compared to the gains. All we're really being asked to do is to live within our income, to give up some short-term loot for our long-term benefit. We're just being asked to consent to our own survival.

For the businessman, this means re-assessing his operating creed. Is he responsible solely to his shareholders? -- in which case he'll call his lawyer and ask him how to beat the restrictions and if the guy is any good he can tell him. Or is he also responsible to his customers and society? The question has been around for a while and most businessmen have answered it, in principle at least, with a clearcut yes.

For the labour leader, it means cooling the adversary system, less need for fiery speeches condemning management, less need for extravagant posturing at the bargaining table. It means lessened use of the power that trades more pay for layoff notices, that strains the movement's unity, devalues the money gained, shrinks pension funds, and ends with the power to win nothing.

The fundamental fact is that we're all in the same boat, and too closely packed for what is called "lifeboat ethics." Our identity of interests is even stronger than our conflicts. No one has more to gain if we end inflation than the businessman, and no one has more to lose if we don't than the unionist.

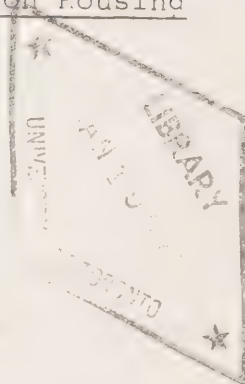
I'm betting on them both. I'm betting on us all.  
I still have faith in human adaptability. As Robert  
Louis Stevenson said, "Every man has a sane spot somewhere."

Federal/Provincial Ministers' Meeting on Housing

November 3, 1975

FEDERAL HOUSING ACTION PROGRAM

Statement by Hon. Barney Danson  
Minister of State for Urban Affairs



The Federal Housing Action Program is aimed at three very pressing national problems which are well-known to all of you:

\* First, we are not producing enough moderately-priced housing in this country. Production over the last few years has concentrated too much in the higher price ranges. The lower price ranges have been neglected. We have got to direct more of our available resources into the production of good, affordable housing for people of moderate incomes.

\* Second, people can't afford the housing that is available. It is not just a matter of price -- although prices are serious enough. When you compound high selling prices and inflated interest rates, the increase in monthly carrying charges far outstrips any increase in family incomes.

\* Third, a lot of people who are already well housed are making unrealistic demands on our housing resources right now. This practice must be discouraged. Without government direction and management, this well-housed group hold a preferred position with lenders, builders and municipalities. The effect is to divert production from the lower price ranges and to put inflationary pressure on all house prices.

And finally, housing is an important factor in our fight against inflation. Housing has contributed, both directly and indirectly, to inflationary pressures.



The program which I am going to announce in the House of Commons this afternoon is going to help fulfill the objective, which we all share, of ensuring that all Canadians are well housed. At the same time, it will help dampen inflation in the housing sector and stimulate economic growth and employment.

\* With regard to the problem of supplying enough moderately-priced housing, the federal government is making a commitment to one million housing starts over the next four years. For 1976, our target will be 235,000 starts. I am asking you to join with us in a national effort to direct our resources in such a way as to ensure, not only that this target is met, but that a very high proportion of these homes are in the low and medium price ranges.

\* To make housing affordable, we are, first of all, going to maintain our high level of activity in housing for low-income people. At the same time, we are going to give more help to people of moderate incomes to enable them to manage the carrying charges involved in buying a house.

To make rental accommodation affordable we must encourage more production. That can only be done by ensuring the basic, economic viability of the rental industry -- creating a climate in which builders and investors will have the confidence to produce rental housing. Our participation in this market will be conditional on maintaining affordable rents.

\* To discourage unreasonable demands by the well-housed and direct resources instead towards moderately-priced housing, we will require lenders to reserve the most favorable credit arrangements for loans within regional NHA limits.

All of these initiatives will not only help to deliver good affordable housing, they will, at the same time, stimulate employment and help to contain inflation. The projected increase of 25,000 starts in 1976 should provide 32,000 man-years of employment, in the construction industry and in related business

The housing situation in Canada today involves some strange contrasts. In general terms, Canadians are among the best housed people in the world. Many of them bought their first house years ago, have benefited from inflationary trends, and are now well entrenched in the market. If they want to move up in the housing market, they have a substantial equity to reinvest. They are prime customers for both lenders and builders. They can bid house prices out of reach and squeeze out families who are trying to become home-owners for the first time. They are taking more than their share of housing resources -- drawing them away from people who have a real need.

At the same time, there are still hundreds of thousands of households in this country who don't have sanitary facilities, who are over-crowded, by any reasonable standards, and who are paying out an inordinate proportion of their income for shelter. These are the people who have been -- and will continue to be -- the main targets of our housing programs, as

they are of yours. They have the first claim on our resources and there must always be adequate funding to serve their needs.

There is another group of people, however -- people who are neither rich nor very poor -- who also have a housing problem. These are the people who used to be able to look after their own needs -- people in the \$11,000 to \$17,000 income bracket -- who now require some public help. They will make it over the long haul but, right now, they need a boost to become established. These people, too, are certainly entitled to our consideration.

If we are going to meet our target of one million new homes in the next four years, and if we are going to see that this housing matches people's needs, and not their inflated expectations, there are a number of factors we will have to deal with. We are going to have to make sure there is a steady flow of capital, land, materials and labour into the residential housing market. You, as provincial housing ministers, and the house-building industry generally, have to be able to count on consistent planning and budgeting in at least a three-year time frame. Our success depends on this kind of planning.

As you know, our officials have now met, in every province, to consult about your plans for 1976. Some provinces have provided us with a three-year forecast, supported by all

of the required data regarding housing needs. We are required to make this kind of three-year estimate for our Treasury Board and it is part of our usual budget-planning process. We are very anxious to have this kind of input from you, to the extent that you are able to provide it. I hope we can arrange to get it from all provinces before the end of the year. It is this kind of longer-range planning that we all wish to achieve. I do believe, if we all begin to plan in this kind of time-frame, it will improve our effectiveness immeasurably.

The country as a whole -- the private sector, and all levels of government -- will have growing demands on capital for many purposes: energy and resource development, manufacturing plant, and so on. A million new dwellings will require mortgage capital of about 30 billion, in 1975 dollars. No matter how you split it up, by far the greater part of these funds have got to come from private investors. Lending institutions are going to have to boost their allocations for residential mortgages. They will not only have to put up more mortgage money, it also has to be directed into affordable housing. Sixty thousand dollars capital will have to produce two houses instead of one. What we are going to be interested in, as a government, is more well-designed, well-built, modest-sized housing, fully protected by a nation-wide warranty system.



As you know, we have experienced a good deal of difficulty in arriving at an understanding among the various interested groups about how a warranty plan should be established and administered throughout Canada. The Federal Housing Action Program lends a new urgency to this task by exerting pressure in a number of different ways on the production of low-cost housing. To facilitate the implementation of this program, we are prepared to consider making the inspection services of CMHC available, preferably for the independent council.

Housing is going to have to compete for labour and materials as well. A million housing units will mean more than a million man-years of work in the construction-related sectors of the economy, as well as those sectors which supply materials and appliances for these units. Our commitment to a four-year housing objective should help to stabilize the labour supply.

The other important resource we need is land. You are all very much aware of the problem which many municipalities perceive in committing land for residential development. For many of them, housing represents a net loss in municipal revenue. I know that many of you have been quite active in recent months in trying to break through the roadblocks that delay development approvals. Our land assembly program and our sewage treatment assistance program have been amended to make



residential development more attractive to municipalities. I think you will agree that still more needs to be done by all of us.

In housing for rent, our most urgent task is to restore the basic, economic viability of the market. We have to restore builders' confidence in this sector of the industry. Production of rental housing dropped 23 per cent in the first part of this year. The average vacancy rate across the country is still 1.2 per cent. In 1971, it was five per cent. There is a gap of \$50 to \$125 a month between the rents people will pay and what would be a reasonable return on investment.

These are some of the basic problems we have to master in approaching our objectives.

I would like to outline, specifically, what we propose to do:

\* Direction of resources. To cool the excessive demand for expensive housing, and to direct our resources into housing that meets realistic needs, the most favorable credit terms will be available only for the production of moderately-priced housing. Lenders will be required to restrict high-ratio loans -- that is, loans with low down-payments -- to housing that falls within NHA loan limits in each market area. (When I say they will be "required" to do this, I mean the Minister of Finance and I will make our wishes known in no uncertain terms.)

We will be setting up a mortgage review committee, made up of officials of the appropriate departments and agencies, to establish targets for each group of lenders and to monitor their activities. These targets will be based on the requirement of a general increase of 14 per cent in mortgage funds. I hope that you will bring your influence to bear, particularly on the lending institutions within your jurisdiction, to make sure that there is a flow of resources matched to people's real housing needs. We will be establishing more formal liaison with builders, labour, consumers, and provincial governments, to help ensure that we are all pulling in the same direction.

To make residential mortgages more liquid, and more attractive as an investment, the government will activate the Federal Mortgage Exchange Corporation so that it becomes operational by April 1, 1976.

#### Land Incentives

As a further incentive to municipalities to encourage more residential development, I am proposing to make a federal government grant of \$1,000 per unit available to municipalities which approve moderately-priced medium-density housing. In this context, we define moderately priced as being within regional AHOP and Assisted Rental limits. These grants, which are intended for the specific purpose of creating more, affordable housing in urban areas, will be paid directly by the federal government to municipalities who

qualify. As a further incentive for the development of housing, we will make loans and grants available to municipalities for water treatment facilities and mains, where they are required to open up land for housing. This assistance will be provided on the same terms as the Sewage Treatment Assistance Program.

#### Improved Rental Assistance

We are proposing to increase the interest-reducing grants under our Assisted Rental Program. We now pay up to \$900 a unit to builders and owners who will create modest accommodation for rental at rates agreed to with CMHC. We will increase that maximum from \$900 to \$1,200. That assistance would now be recoverable on the sale or refinancing upwards of the property or at the end of the amortization period of the initial first mortgage.

#### Capital Cost Allowances

I am also proposing that the present capital cost tax allowances be extended to the end of 1977. As you will recall these allowances, which can be charged against other income for tax purposes, were reintroduced by the Minister of Finance in the last budget, to encourage investment in rental properties. We all agreed that this tax measure could be very effective if extended for another two years and that is what will be done.

#### Modified AHOP

I am going to make some very significant changes in our AHOP programs. I am doing this, first, to give some

much-needed help to people of modest incomes who are having a lot of trouble trying to manage the carrying costs involved in buying a new house. At the same time, these changes will direct more of our resources into moderately-priced housing by encouraging builders and lenders to become more active in the low and medium price ranges.

The new AHOP will do this:

- \* It will help anybody who wants to buy moderately-priced housing.

- \* You don't have to have children to qualify.

- \* For families who do have children, and who would have to pay out more than 25 per cent of their income in monthly payments for housing, the maximum interest-reducing grants -- those provided in addition to those grants which reduce interest to an effective rate of eight per cent -- are increased from \$600 to \$750 and do not have to be paid back.

- \* For others -- with children or not -- who just need some help to acquire a new moderately-priced house, we are going to give them a loan to help them manage their monthly payments. This will apply to households of as few as two persons, for instance young married couples who wish to buy their home before starting their family. We will lend them the difference between their carrying charges at present market rates of interest and what they would be if the interest was eight per cent. No repayments have to be made on this loan for five years or until they sell or refinance the house upwards. And the loan doesn't bear interest during that time.



We will be asking Parliament to amend the National Housing Act to give us the authority to include existing housing in private AHOP but, as a matter of policy, for the time being, it will be restricted to new housing.

That, essentially, is the housing package I am going to announce today. Subject to legislation, all of these measures will have effect, as of today. I would just like to add a few words about the budget implications as they may relate to your housing activities next year.

I want to emphasize very strongly that these measures will allow us to expand the social housing programs which we share with you. The new measures draw on the substantial pool of private capital, reducing thereby the amount of capital governments must put out to get these starts. In particular, the improved Assisted Rental Program and the modified AHOP program will allow us to reduce our direct lending.

While I cannot deal in detail, at this time, with the total CMHC budget, I can assure you that money will be freed up for your initiatives.

As you know the 1976 capital budget has not yet been approved by the federal control agencies but I would like to make you aware of the following intentions.

First, I can assure you that the total capital budget will be above the 1975 level.

Second, I can assure you that the federal/provincial Public Housing programs and the Non-Profit and Co-operative programs will be significantly increased over



the 1975 commitment level -- not just to accommodate inflation, but in real terms. These increases will be substantially higher than the increases applied to those programs implemented directly by the federal government.

Third, I can assure you that we will continue to meet our commitment to the Land Assembly program and intend to increase our efforts in the Sewage Treatment Assistance program. The focus in both of these programs will be to continue to provide land for housing production as quickly as possible.

Let me stress, however, that we must all work together to ensure that these monies are committed and as many projects as possible started in 1976. In order to facilitate this I would like to repeat that I expect to be able to inform you of your 1976 allocations before the end of the year.

I am hopeful that we can build on our 1975 experiences in accelerating commitments. At this point you have committed some \$367 millions in Public Housing, Non-Profit and Co-op. We are currently processing applications for a further \$236 million in these programs. On this basis, it appears our 1975 funds will be fully committed before the end of the year -- and I congratulate you on that performance.

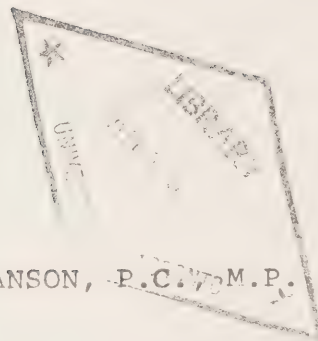
I am looking forward with you to a good year for housing in every part of Canada. We have turned the corner in our drive to revive housing production in this country and, more importantly, by our policies and programs, will direct

it into price ranges which serve the greatest social need. We are going to have a steadily increasing number of the right kind of starts, year by year, until we achieve our target of one million before the end of the 1970's.

This will help establish a sufficient housing stock to ensure a competitive housing market.

Together, we are embarking upon what is perhaps the most significant housing initiative undertaken by government in Canada's history. Over our past several meetings, which I have found invaluable, we have established what I believe are common concerns and objectives. I hope that you will agree with me that these measures, plus those with which you complement them, will together see the realization of our hopes.

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STATEMENT BY HONOURABLE BARNEY DANSON, P.C. M.P.

HOUSE OF COMMONS

MONDAY, NOVEMBER 3, 1975.



Mr. Speaker,

I wish to outline to members, the Federal Housing Action Program, a series of measures designed to produce one million new housing units over the next four years.

The commitment of the federal government is to ensure production of the kind of good quality housing that lower and middle income Canadians need and can afford, and through these measures, to dampen inflation in the housing sector and stimulate economic growth and the creation of employment opportunities.

In order to achieve these objectives,

1. The government will require private lending institutions to direct mortgage financing to new, lower and moderately priced housing. In 1976 this will require an additional \$750 million for a total new housing market of \$8 billion.
2. The government will require private lending institutions to restrict their low down payment (high ratio) lending to NHA regional loan limits.



3. We will make the Assisted Home Ownership Program (AHOP) available to any Canadian household of two or more people wanting to buy moderately-priced housing and to keep their monthly payments equivalent to those of an 8% mortgage. The requirement of having at least one child is removed enabling young couples to purchase a home before starting their family.

For people with children who need help to keep their monthly payments under 25 per cent of their income, grants, which are now a maximum of \$600 a year, are increased to \$750.

For others, assistance will be in the form of a loan which will be interest-free for at least the first five years and repayable with interest after that time, or when the house is sold or refinanced upwards. The loan will be sufficient to cover the difference between market interest rates and interest at eight per cent.

4. We will stimulate increased production of moderately priced rental accommodation. The Assisted Rental Program will make interest-free loans available to builders who will create rental housing at rents controlled by CMHC

during the period of support of up to 15 years. Maximum annual loans to builders will be increased from \$900 to \$1,200 per unit to compensate for recent interest rate increases and to encourage supply. These loans will be recoverable.

5. In addition, we will ask the House to approve the continuation of the special capital cost allowance provisions for non-principal-business rental entrepreneurs until December 31, 1977.
6. To improve the liquidity of mortgages as an investment, the government will make the Federal Mortgage Exchange Corporation operational by April 1, 1976.
7. To make moderate cost housing development more attractive to municipalities, the government will make \$1,000 per unit grants available to municipalities which approve medium density housing within regional AHOP and Assisted Rental price limits.
8. The government will now make loans and grants available to municipalities for water treatment facilities and mains, where they are needed to open up land for housing, on the same basis as

assistance presently given to municipalities under the Sewage Treatment Program for sanitary and storm sewers.

The program I have just enunciated, Mr. Speaker, is designed to fill the real needs of Canadians who are not suitably housed at the moment, by providing them with access to housing they can afford. This will stimulate employment in the construction industry by creating 32,000 additional jobs in 1976. The entire four-year program involves more than a million man years of employment.

One of the very real advantages of this program is that it directs more private capital into the moderately priced residential mortgage market utilizing a minimum amount of taxpayers' dollars. This allows the federal government to direct its resources to Canadians in greatest need, such as senior citizens, native people, the handicapped, and others who are socially and economically deprived.

I would also like to inform members that at the Federal-Provincial Housing Ministers' Conference earlier today, I urged the provinces to institute rent controls consistent with the federal government's commitment to contain inflation and support new housing construction.

I have also asked my provincial colleagues to require those lending institutions under provincial jurisdiction to increase their mortgage lending in line with the federal guidelines.

Mr. Speaker, I believe members will generally agree that these long range measures, are designed to enable the construction industry to marshall its resources for economic and competitive production in order to meet the most pressing needs of those Canadians who are finding difficulty acquiring adequate housing at reasonable cost under today's difficult conditions.

I will be introducing legislation in the House in the very near future for the consideration of members.





# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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I'm delighted to be here today for three reasons. One, we're both engaged in public service. Two, we're both concerned about our communities. Three, you're resigned to listen to someone, and I've got something to say.

For three decades the economy has fed our dreams of affluence. The dream was summed up in the Thirties by Herbert Hoover's famous phrase: "a chicken in every pot and two cars in every garage". It didn't do him much good politically -- his timing was a bit off -- but productivity since World War Two has made Mr. Hoover a prophet. It's brought the average person luxury and leisure for the first time. It's given us all expectations of living a little better each year, and every couple planning marriage expects to own a car and a house, a home with a yard and grass where the kids can play -- the heart of the dream.

Today that dream is fading. Productivity is flat. Growth is down to point three (.3) per cent. Unemployment has climbed to painful heights -- and there's nothing more frightening than the fear of unemployment and nothing more demoralizing than the fact of it. Our golden assumptions of yearly gains now seem less likely than losses as inflation nibbles away at our purchasing power, our savings, our dollar, our social foundation of values and citizenship.

Inflation begins with money and credit growing faster than goods and ends with everyone pushing ahead so they won't be left behind. It begins as a sign of unbalanced growth and ends by creating imbalance. It begins as a symptom of conflict and ends as a cause.

Inflation embitters, corrupts, and corrodes. People see a steady transfer of wealth from the weak to the strong with no regard for merit, effort, or economic contribution. It embitters the weak who lose out; they see the system as unfair. It corrupts the strong with unearned wealth; they look on the system with contempt.

Confidence in government is eroded; we have confidence only in greed. Leadership is discredited; we lose hope in finding answers. We grow self-concerned; we grab what we can and we hasten the end we fear.

There is no longer any question of where we should place our priority. Sixty-two per cent of Canadians, according to the latest polls, see inflation as Public Enemy No. 1. And the hardest hit of all are those least able to help themselves: those with large families, those with low pay, the sick, the handicapped, the senior citizen on a hard earned pension and no defence mechanism. The government's duty is to protect them -- to protect society as a whole. Inflation threatens the system that guarantees our freedoms.

This is some of the thinking behind our anti-inflation program. Some say we should have acted sooner; maybe we should. If we had thought it would be easy, we would. We certainly acted reluctantly, with many misgivings and much debate. But we saw inflation deepening... price jumps that anticipated cheaper currency... price jumps against which the wage earners had no protection... they were scared and rightly so... a phenomenon never known before the Seventies: rising wages without commensurate productivity, rising wages with recession, rising wages with unemployment -- and we saw that we were headed for a crisis... rising costs without the protection of jobs and incomes.

The inflation crisis is heightened by one of its critical elements: housing. The 1963 price of the average house in Toronto has soared in just ten years from about \$16,000 to \$58,000 and the climb doesn't show many signs of easing off sufficiently. Mortgage rates are at record highs: hovering close to 12 per cent. Construction costs have been outpacing almost everything but land, and all this, of course, is reflected in supply.

In the first quarter of this year, apartment buildings for rent dropped 23 per cent from last year. The vacancy rate has fallen to its lowest level in years -- from five per cent four years ago to 1.2 per cent and even less in some critical areas such as Toronto, Vancouver and Regina.



Housing starts have been down and the general shortage of homes will raise the cost of all housing, old and new. Another rise in the cost of living... more fuel for inflation.

The dream of owning one's own home is becoming a wish-dream for many. More than half of Canada's families could not afford to buy a new house. Rents have been rising steeply, though even then not enough to meet costs, and more and more families of average income cannot afford decent housing of any kind, and this has implications for us all.

We all have a stake in creating more jobs, in pulling out of recession, and housing is one of the key elements in a healthy economy. It has generated one-ninth of our total national income. It directly creates one out of every 18 jobs outside of agriculture. Its fortunes additionally affect the sales of lumber, steel, plastics, furniture, appliances, lamps, draperies, rugs, a whole range of consumer goods. It was consumer spending and housing that led us out of the last slump. The economy and housing move in tandem.

This is serious but less important than other aspects of the dream. Owning a home helps preserve the family, the stronghold of our society and its values, the bedrock of responsibility and citizenship. In 1900 two-thirds of our people lived off farms and family enterprises. Most lived

in small communities and the family looked after its own, even at great sacrifice. The family took care of sick relatives, orphaned nephews and pregnant daughters. It brought the kids into the business, or sent them to college, or got them a job. It was a tough society and often a very unfair one. It clung together for physical survival. Fortunately, we have smoothed over many of the inequities. What some think of as the "good old days", were good only for some. What we need now is the balance between the crucible of challenge and a total welfare society.

Today, institutions do many of the things once done by the family and some people say that the family is obsolete, no longer needed. I disagree. Young people today may rebel against parental authority. They may expect too much from parents who are all too human. But the fact is that today they talk more to their parents about things that matter. The world is more confusing and they lean more on their parents. They don't have to stay at home today, they stay home because they want to. The family no longer centres around the need for survival, but around the human need for emotional support. And because of this I think it's a tighter unit -- as long as it's housed in a decent home in a decent neighborhood.

Good housing is essential to social stability. It gives us that healing sense of privacy, a sense of ownership, of belonging. Lack of housing is a factor in the rising rates of divorce, crime, drug addiction, disease and unemployment. It is a major preoccupation for the aged and a critical element in the frustration of our native people. A radical leader in the States once said that Harlem's problems would disappear overnight if some way could be found to let every family own their own home or apartment -- and you know, it could be he was right.

Many people see the home as the outer shell of themselves. It integrates their personal relations, its links them with society. Lack of decent housing does damage to their self-respect.

Housing is a basic problem. An economic and social problem. A personal and national problem. A financial and inflationary problem. An urgent problem. A difficult problem to solve. Most problems today are inter-connected; easing one aggravates another. Government funds for building in the suburbs, for example, has sometimes made things worse at the city core and wasted valuable agricultural and recreational land which we now realize is not infinite.

So we've had to ask ourselves some hard questions. Where can we find the funds to build all the houses Canadians

need? How can we pump those funds into housing without pushing prices up more? How can we keep down interest rates without destroying credit restraint? How can we impose rent controls and still have incentive to build? and how can we stabilize an industry with so many small entrepreneurs without binding them even more tightly in red tape while still retaining decent standards?

The housing industry is fragmented. There's a huge number of small firms and two-thirds of them employ three people or less on a permanent basis. They have a high rate of failure, much of it not their fault, and within the next ten years, according to a recent study, 80 per cent will face bankruptcy unless something is done for the industry.

It's been a boom or bust industry in a feast or famine cycle; real estate stocks go up and down like yo-yos. Housing swings with the swings in money, shifts in society, changes of taste. We've seen shopping centres supersede main street, satellite towns replace bedroom suburbs, condominiums outpacing apartments. Small builders walk a tightrope. Developers can't plan for more than a year ahead and a tangle of laws stretch out projects three years or more, and with high interest rates, this delay escalates costs already driven sky-high by speculation.

What we see in housing today reminds me of a developer whose superintendent reported to him that when the first house was completed and the scaffolding removed, the entire building had collapsed.

"How many times do I have to tell you", the developer screamed. "Don't remove the scaffolding till you've got the wallpaper up!"

That's the trouble with the business. Downside profits are paper-thin and it hasn't the scaffolding it needs for sound management: long-term planning, financing, developing and marketing.

And that's just what our new Federal Housing Action Program is going to do. It's going to flatten out the feast-or-famine cycle of recurrent crises: the foreclosures, the deferred returns, the dried-up mortgage markets. It's going to encourage investment and discourage speculation. It's going to give staying power to every sector of the industry: lenders, investors, developers, builders, suppliers. It's going to stimulate the economy and create new jobs -- thirty-two thousand next year alone. It's going to give people the houses they need at prices and rents they can afford. As I said in the House on Monday: over the next four years we'll build a million new housing units in Canada.



As a former businessman, I know that if I can plan my production for a sustained volume over a reasonable time frame, I can cut my costs dramatically. And my competitors will see that I cut my prices accordingly. I will strive for efficiency. If I want to stay in business, I won't cut to the bone, but I'll sure cut off the fat to the muscle.

The trick is to do it without pushing prices up -- and we think we can. The pressure on housing comes from people who are already well-housed, people with the means to keep bidding prices out of sight. If they want to move up from three bedrooms to four they have the equity to do it. They are the favorites of builder and lenders. They squeeze out those in real need, trading up until you wonder if housing is something to live in or live on.

There's no shortage of houses in Canada if you don't consider price. Just look at all the ads in your daily newspaper. The shortage is in housing that meets the needs of the less well-to-do, including newly-marrieds, senior citizens, native people and others who are socially and economically deprived. So we're going to build more houses for the same investment. We're going to channel funds into this market, and cool out the inflationary pressures. And it will be good housing, to good standards, and backed by a warranty.

But we also want to do this with a minimum of red tape and a minimum of taxpayers' dollars. We don't want a battalion of bureaucrats confronting a legion of lawyers. Too often in recent years the principle of "let the government do it" has swollen the public payroll and eroded private initiative. We decided to apply the principle of self-responsibility; planning doesn't require a planned society. Instead of spawning another public agency we've shaped a policy for private action. We'll harness entrepreneurship to public need and real social objectives, which is not at all incompatible with a fair profit.

We're going to involve a whole spectrum of society in this program, one of the biggest peacetime production jobs ever undertaken. It's going to take eight billion dollars a year and we haven't got that much money, so we're going to involve the nation's lenders, our banks and trust companies.

They are going to be required to direct much more of their resources into the residential mortgage market -- not into high-priced housing but into good quality lower and moderately-priced housing that people can afford. In 1976 alone, we have given a commitment to produce 235,000 housing starts and this will involve an additional \$750 million from them, specifically directed to just this type of housing.

Having done this, the much-needed money supply will be there.

We are going to provide much easier access to housing by Canadians. To do this we will expand our Assisted Home Ownership Program (AHOP) to help anyone who wants to buy moderately-priced housing, including young couples who want to establish their own home before starting a family. We will give loans, interest free for the first five years, to such people in order to bring their monthly payments on PIT to reflect an effective interest rate of 8 per cent. In other words, real help with their carrying costs. When the time comes to pay it back to their fellow taxpayers we will give them a number of options so that in no case will they be required to spend more than 25 per cent of their income.

For the family with children who would otherwise be paying more than a quarter of their income for housing we will give them up to an additional \$750 a year to keep their payments down to 25 per cent of their income and they don't have to pay that back.

For people who need rental housing we are going to make things easier as well. Rental housing stock of many varieties will be available to many more Canadians because we are going to make interest reducing grants available to builders who will create this kind of good quality housing at

rents that are agreed to by CMHC. Two things to keep in mind here -- more good quality rental accommodation in Canada and, at rents people can afford. We are continuing the capital cost allowance incentives for people not normally in the real estate business who want to invest in rental housing to further help increase supply.

One of the greatest and most costly obstacles is the m approval needed for residential development. In order to get approvals more quickly, we are offering municipalities a \$1,000 grant for every unit within the guidelines that they approve. This will offset the financial disadvantages to them and therefore make housing development more attractive.

We will also give municipalities favourable loans for water treatment facilities and mains -- in addition to our present sewage treatment assistance -- where they are needed to open up land for housing.

The ' very low income Canadians, including senior citizens and others, who are economically and socially deprived are by no means left out of this equation. In fact their needs occupy a very high priority with us. It is because we are directing private capital into the programs I have mentioned that we will be able to put much more of our resources into programs designed directly to help them and we have the full cooperation and support of the provinces in this.



We haven't forgotten the people who will have to build this housing, nor have we forgotten the people who supply all the necessities that go into good housing.

What's in it for them? A good deal, really. We are giving them the market they need in order to make it financially viable for them to produce good quality, lower and moderately-priced housing, and we are giving them a long-range goal, so they know where they are going down the road -- they can plan effectively and economically. They can hire the people they need to do the job -- over a million man years of work in four years. In short, we are giving them a reasonable and sensible return for all the hard work we are asking them to commit.

And we're going to help beat inflation which interacts with housing. Housing bears more than its share of the burden of fighting inflation, and we think this program will ease that burden for people of moderate means.

There are those who say this anti-inflation program won't work because it limits their personal gain, those who say it won't work because it limits their power. There are even those who still want to believe that things will work out by themselves.



We realize there's a limit to what can be done by a price and wage program. Controls that cut profit to the bone reduce needed investment, and result in needless shortages and further losses of jobs -- that's one reason why we can't have an all-out price freeze.

We realize that the unions are calling our justice rough. But how much more just is the alternative? -- to go on allowing those with power to take from all those without it. As the head of the British Labour party, Prime Minister Wilson, recently said, "We must keep our industrial costs down, and this means all forms of pay... There may be those who, by the use of their own industrial muscle, feel that they could get for themselves such a pay increase as to enable them to escape the rigours of inflation. In the short term, yes -- at the expense of more unemployment, at the expense of millions weaker than themselves. In the long term, they delude even themselves, for they and their families have to face the backlash of the inflation they generated by their own actions." Rough justice is better than no justice, and this is not the time to rectify all of the inequities in our system.

We realize that our program alone isn't going to cure inflation -- some prices, like oil, are beyond our control. We do believe it will slow the rate of increase. We realize that our program isn't going to cure inflation. We do believe

it will break the self-feeding cycle and give us time to work up some long-range cures. We realize our program isn't perfect, though the New York Times gave it high marks. No program is perfect. No system is perfectly fair and can't be until people are perfect. To refuse to cooperate with the program because it's not perfectly fair is to hide behind a rather transparent myth.

We know that "lifeboat ethics" -- every group for itself -- will be hard to dispel. But we're going to try. We're going to see it through. We're not going to weaken. We think most people realize that if we fail, their prospects are grim. We think they'll support us. They're consumers. They know.

Meeting housing needs as we're committed to do could be a great opportunity. It could help change the restrictive codes, the rigid labour practices, the on-again off-again financing that makes planning impossible, the laws that require as many as 64 approvals for a development -- all the things that add to the price tag of a home.

This revival of the homeowner's dream could be our chance to try new technology, new methods of financing, land use, marketing and management. It could stimulate sound economic growth, create the jobs we need, renew our feeling for what the country needs most: teamwork and purpose which transcends our immediate, individual priorities.

We have so much going for us in this big and beautiful country. Massive resources, an educated, skilled and sophisticated work force. Good management talent. With these resources, with these skills, we must maximize their value by productivity.

If we do this, while meeting our responsibilities in the world today, we can have the future by the tail and continue to be the greatest country in the world in which we would want to live.

# Remarks by the Honourable Barney Danson

Minister of State  
for Urban Affairs

# Discours de l'honorable Barney Danson

ministre d'État  
chargé des  
Affaires urbaines

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PROPERTY FORUM '75  
TORONTO

November 12, 1975

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I am very glad -- for a number of reasons -- to have the chance to speak to you today.

As you know, I had planned to speak to Property Forum '74 but, at the last minute, I could not get here because Malton was fogged in and Pickering was not quite ready. I was particularly sorry, as a relatively new minister, to miss the opportunity of meeting such a distinguished gathering of leaders of the residential development industry.

I must congratulate the organizers of Property Forum on their uncanny ability to choose significant dates a year or more in advance. Last year, Property Forum was convened two days after the Finance Minister had introduced his budget, bringing in some very significant tax measures designed to stimulate housing construction. Property Forum '75 is being held less than 10 days after I announced in the House some of the most important housing initiatives ever put forward in this country.

I don't know how you do it! I would like to borrow your crystal ball.

However it happened, it is very fortunate that a group of people such as yourselves are meeting here today for a conference on the theme "Working with Governments". The timing and the subject could not be more appropriate...

but frankly, if it was "Working in Government", I would be one of the most absorbed learners in the hall.

I would like to take just a minute at the outset to share with you my view of the housing situation in Canada, the context within which the Federal Housing Action Program was developed. There are different views of housing conditions in Canada today.

It can be said, quite correctly, that Canadians are among the best-housed people in the world -- everyone kept telling me I should see Sweden or Holland or Britain... so I did... I went... and by any measure I can confirm what most of you know... that we are indeed exceedingly well housed.

But, it can also be said, correctly, that housing is a serious problem for many Canadian families.

For some Canadians -- among them, our native people, the elderly, and the urban poor -- housing presents some critical problems.

It can also be said that many thousands of Canadians have more housing than they need or can reasonably use.

So, there is no point in arguing whether we have a housing crisis, or just a housing problem, or nothing to worry about at all. Housing is a problem for many Canadians. Some others have improved their economic position in the last decade by buying a house, or a series of houses.

Generalities like that are not very useful. Even though the majority of Canadians enjoy some of the best housing in the world, there are thousands who do not.

\* For instance: Nearly 825,000 Canadian households pay more than 25 per cent of their income for housing. More than 280,000 pay more than half their income for housing.

\* For instance: Some 460,000 households have no sanitary facilities or have to share them with neighbors. 445,000 households are overcrowded by our minimum standards.

\* For instance: 120,000 households in Canada are both overcrowded and lacking their own sanitary facilities.

If you are a builder, or a developer or a lender of mortgages, you will realize that these hundreds of thousands of people are not likely to be your best customers. But, as you are Canadians, I know that you will recognize an obligation, along with governments at all levels, to help them fulfill their essential needs.

These people are -- and will continue to be -- the prime focus of our housing policies. That is one reason why -- in my statement in the House of Commons a few days ago, and

at my meeting the same day with the provincial ministers -- I was able to give the assurance that there will be substantially more federal funds available in 1976 for such programs as public housing and co-operative and non-profit housing which serve people with the most urgent housing needs. With the co-operation of other levels of government, we are going to see that they have, not just a safe and healthy place to live, but a place that allows them to live with some dignity and self-esteem.

Their problems are very different from those of people who want to move up from three bedrooms to four so Dad can have a den, or from a one-car to a two-car garage, so there will be room for the boat and the snowmobile.

In one case we are talking about real needs. In the other we are talking about "rising expectations" -- an ever-improving standard of living which we expect as a matter of right, regardless of our productivity. In recent years we have been able to satisfy our expectations but I believe we all know that it couldn't continue forever, and obviously it couldn't continue indefinitely without a corresponding increase in our productivity.

We can no longer afford to commit a disproportionate share of our national resources to the expectations of well-housed people who are mainly interested in improving their

capital investment. This kind of demand not only misuses resources but it is also a powerful factor in inflating house prices.

In between these two extremes, there is another group of people, who are neither very rich or very poor, but who also have a housing problem. These are people who used to be able to look after their own needs -- people in the \$11,000 to \$17,000 income bracket -- who now need some help. They will make it over the long haul but, right now, they need a boost to become established. These people, too, are certainly entitled to our consideration.

The real housing problem in Canada just now is this:

First, we are not producing enough moderately-priced housing that people can afford.

And second, a lot of people who are already well housed are taking advantage of the situation to improve their accommodation beyond any reasonable need, adding fuel to the fires of inflation.

This is the problem which the Federal Housing Action Program attacks. Here is what it is going to do.

\* The federal government is committed to the construction of one million new housing units over the next four years -- by far the greatest proportion of them in the low and moderate price ranges. Our target for 1976 is 235,000 starts.



\* We are going to increase our activity in providing housing for low-income people through federal and federal-provincial social housing programs.

\* For anybody who wants to buy a moderately-priced house, we are going to provide help in handling the monthly carrying charges -- to reflect an effective interest rate of 8%.

\* In the rental market, particularly, we are going to ensure the basic economic viability which will generate builders' confidence and stimulate production. Federal assistance will continue to be tied to agreed-upon rents.

\* We are going to require lenders to increase their investment in residential mortgages next year by 14 per cent, directing the funds into moderately-priced housing.

\* We are also going to require the lenders to restrict the most favorable credit terms -- high-ratio, low-downpayment mortgages -- to moderately-priced housing, within local NHA loan limits.

\* We are going to provide new incentive to municipalities to make residential development more financially attractive.

All of these measures are not only going to make more good-quality, low-cost housing available to Canadians who need it, they are also going to be a significant factor in our economic growth, creating more jobs and helping to restrain inflationary pressures.

You have already read and heard a lot about the Federal Housing Action Program, but I will just run over the highlights with you and comment on one or two points.

First, our target of a million starts over four years. That is what we will reasonably require up until 1980 to accommodate population increases, new household formations, the deterioration of the existing stock and the migration of people from one part of the country to another.

As I mentioned a moment ago, our 1976 target will be 235,000 starts. I am almost reluctant to mention numbers because I get such a hard time from people who are persuaded that we are going to fail. I set a target of 210,000 for 1975 and very few people believed it. Some said we wouldn't make more than 176,000. Well, all the returns are not in yet but we are going to make our 210,000 -- or come very close to it. I bet the Alberta housing minister \$10 to a barrel of oil that we will make it -- and I am willing to oblige anybody else who would like to take that bet -- even if the price of Alberta crude goes up!

As for 1976, the achievement of our production goal of 235,000 starts will mean at least 32,000 man-years of additional employment, in the construction industry and even in businesses that are affected by new housing such as the manufacture and sale of stoves, refrigerators and other furnishings.

To achieve that goal, in 1976, we are going to need more housing money from the banks, trust companies, loan and life insurance companies and other institutions which invest in residential mortgages. We are going to need another \$750 million of private capital.

Now, I have said that we are going to "require" private lenders to make this adjustment in their lending patterns. I have been asked what I mean by "requiring" the lenders to co-operate in this way and my explanation, very simply, is that they will be formally asked by the federal government, through the Minister of Finance, to increase their investment in residential construction. The target for the industry as a whole is a 14 per cent increase. Traditionally, such a requirement by the government has always been well received and I have no doubt that it will be again.

I am asked, by the press and others, what I would do if this co-operation were not forthcoming. That is a hypothetical question and I am sure that the situation will never arise. They have accepted this voluntarily in advance and this simply quantifies it so everyone knows where they are going and normal capital markets and investment patterns are not disrupted. I want to emphasize, however, that the government has made a firm commitment to the objective of a million starts

over four years and, if, for some reason, it appeared the goal was not going to be reached, then we obviously would have to consider a recourse to legislation.

I have announced that we will be setting up a mortgage review committee to establish targets with various groups of lenders and monitor their progress towards these goals. The Federal Mortgage Exchange Corporation will be operational by April 1, 1976. By creating a secondary market, the FMEC will make mortgages more liquid and more attractive as an investment.

I think the most significant aspect of our four-year commitment to a million starts is the continuity and consistency that this kind of planning will give both to the residential development sector of the economy and to all levels of government. As businessmen, I know that you will recognize the advantages that accrue from knowing, two, three or four years into the future, what your market is likely to be.

We are particularly concerned, of course, about the rental market. In many parts of Canada, during the last year or so, production of housing for rental has practically come to a stop. Production of rental housing dropped 23 per cent in the first part of 1975. Vacancy rates across the



country average 1.2 per cent, and in many places are significantly lower than that. Entrepreneurs believe -- and there are some statistics to support their belief -- that the rents people will pay, related to costs, don't give them an acceptable return on their investments. We have got to create a basic, economic viability in the rental market to generate confidence and stimulate production. As you know, I have announced that the capital-cost allowances will be available for at least two more years to people -- such as doctors, lawyers, senior citizens with a nest egg, and others -- who invest in rental properties but don't make it their principal business.

Our federal Assisted Rental Program has proved very successful in encouraging production of housing at moderate rentals and we are increasing the maximum annual assistance under this program from \$900 to \$1,200 a unit. The assistance will now be in the form of a loan which is recoverable when the property is sold, refinanced upwards or at the end of the amortization period of the initial first mortgage. The loan is interest-free during the period of support but subject to the prevailing interest rate after that time. As usual, of course, this assistance is subject to an agreement with CMHC regarding rents and other matters.

The inauguration of federal controls on prices and wages now, makes rent controls, in all parts of Canada, an



urgent necessity. Without them, there would be a serious gap in the control system. By the same token, controls on rents, without controls on prices, wages and other kinds of income, could be very unfair. I recognize, of course, and I told the provincial ministers when I met them a few days ago, that rent controls can best be established and administered by provincial governments which are more sensitive to local conditions and local needs. My main interest is in seeing that, as far as possible, there is some measure of consistency in the rent control rules from province to province across Canada. We have begun discussing with the provincial ministers about what these guidelines might be and these talks are continuing. We will meet later this month to reach agreement on the program as it will be implemented across Canada allowing for regional and provincial variations.

In the field of home-ownership, we are building on success. Our Assisted Home Ownership programs, originally implemented by my predecessor Ron Basford, have probably been the most popular housing programs ever introduced in Canada. Until we ran out of budget a few weeks ago, the federally-funded AHOP helped some 16,400 Canadian families of low or modest incomes to buy their own homes. More than \$460 million of federal funds were invested in the program. The privately-funded AHOP, of course, continues to operate and over \$140 million dollars of private funds have been attracted since July -- plus \$160 million into rental accommodation.

But now we are improving AHOP and extending assistance to a wider range of people. As I am sure you have read, interest-reducing outright grants will continue to be available to families with children who want to buy a moderately-priced home but would have to pay out more than 25 per cent of their income in monthly payments. The maximum grant in these cases is increased from \$600 to \$750 a year. The new feature is that anybody who wants to buy a moderately-priced house, regardless of whether they have children or not, can get help from the federal government to handle the carrying charges during the early years while they are getting settled. This help is in the form of a loan that is interest-free and does not have to be paid back for the first five years, or until the house is sold or refinanced upwards. After that time it is repayable and bears interest at the prevailing mortgage rate. In this way, anyone can be helped, and everyone will carry their weight. The loan will be large enough to reduce their carrying charges to what they would be if mortgage interest was eight per cent.

This is going to be a big help to people who need a little boost to get established in the home-ownership market but, what's more, our experience shows it is going to have a very significant effect on housing production. When we first brought in AHOP people said they couldn't buy houses within

our price limits -- and they were right. Builders said they couldn't build houses within our price limits -- and they were wrong. When mortgage money got tight, and AHOP funds were the only financing readily available, many builders found ways of doing it. And I want to tell you that some of the AHOP housing I have seen is well-designed, well-built, very comfortable and attractive housing.

In that regard, of course, with our increasing emphasis on moderately-priced housing, the question of consumer protection for house-buyers becomes more and more important. I am disappointed at the slow progress that is being made among the various groups who are interested in establishing a warranty plan that would be operational throughout the country. I told the provincial ministers that, in order to facilitate the implementation of a warranty program, we are prepared to consider making the inspection services of CMHC available, preferably for an independent council. One way or another, all federally-assisted housing will be warranted starting early in 1976.

One of the essential requirements in meeting our goal of a million houses in four years, in addition to an adequate supply of capital, will be a steady flow of suitable serviced land. I think you are all aware, as I am, of the problems presented to municipalities by residential development.

We have been making public land assembly more attractive to municipalities by requiring, as a condition of land assembly loans, that any profits be plowed back into the community in the form of land for community centres, recreational facilities and other amenities.

Now we are producing some additional incentives to open up land for housing. We will pay the municipalities \$1,000 for every moderately-priced medium-density housing unit built within their jurisdiction. We are also extending beneficial loans and forgiveness grants for water treatment facilities and water mains, on the same terms that apply under our Sewage Treatment Assistance Program, where these facilities are used to open land for housing.

That is a quick run-down on the Federal Housing Action Program. It is a big job. A million housing starts means more than a million jobs, some \$30 billion in resources. This is perhaps the largest economic and social task that has marshalled Canadian resources and entrepreneurship in peacetime. That is our target. I like targets. I like to have something to shoot for. I like to set my sights on the objective I want and work like hell to meet it. I don't always make it. Sometimes I surpass it. But we won't get anywhere unless we set our sights high. I am asking you to set your sights high, in your own interest, and in the interest of seeing that every

Canadian has access to good affordable housing and a safe and satisfying place to live. I expect that together we'll make it. We won't even get close if we don't try -- and if we don't, it won't be for lack of trying. Failing is not a sin. The sin is not trying to do our best.





Speaking Notes for M. Jean-Robert Gauthier, M.P.,  
Parliamentary Secretary to  
The Minister of State for Urban Affairs,  
at the 14th Annual Conference of  
L'Association Provinciale des Constructeurs d'Habitations  
du Québec, Inc.,  
at l'Hotel Bonnaventure à Montréal,  
Staurday, November 29, 12:00 noon.

I am pleased to have the opportunity to speak  
at this conference today. It is most important at this  
time that everyone involved in residential construction  
understands the full significance of the new Federal  
Housing Action Program, announced earlier this month  
by the Honourable Barney Danson, the Minister of State  
for Urban Affairs.

This program represents some very important  
housing initiatives. Although I realize that there are  
a variety of views on Canada's current housing situation,  
I think we can agree that there are serious problems which  
require strong and immediate remedial action from both  
the public and private sectors. The new program is  
designed, among other things, to combine the resources  
of government with the initiatives of private enterprise  
to produce one million units of new housing over the  
next four years. The majority of this new housing will  
be in the low and moderate-price ranges.

It is generally agreed that Canadians are among the best-housed people in the world. This belief was confirmed recently when Mr. Danson and some of his officials visited Europe to examine in some depth the measures other countries were taking to provide suitable housing for their people. They came away convinced that Canada did not have to take second place to any country in its housing situation.

But this is not a matter for complacency. Far from it, for housing is still a major problem for many Canadian families. No matter how well we compare with the rest of the world, as long as significant portions of the population are inadequately housed, our objective must continue to be to provide every Canadian with access to suitable housing.

There are serious housing problems among the elderly, the poor, the native people, the sick, and others, and these people must receive priority attention from the federal government.

It is true that most Canadians have good or at least adequate housing, but recent statistics show beyond doubt that far too many Canadians have serious housing problems. For example, almost 825,000 Canadian families pay more than 25 per cent of their income for housing.

In fact, more than 280,000 pay over half their income for housing.

It is hard to believe, yet it is true that in this civilized country some 460,000 households have no sanitary facilities or, if they have, are required to share them with neighbours. Additionally, about 445,000 households are over-crowded even by minimum standards.

And finally, it is a shocking fact that 120,000 households in this country are both overcrowded and lacking in their own sanitary facilities.

These are statistics which can readily be verified. But the families represented by these figures are not statistics -- they are people who live in a country that has one of the highest standards of living in the world -- a fact that is of small comfort to them, for theirs is a sub-standard of living.

Our obligation to these people is obvious -- we must help them to fulfill their essential housing needs. For that reason, these families -- the most serious casualties of an inflated economy -- must be the prime focus of our housing policies.

In announcing the new housing measures early this month, and in his meeting with provincial ministers on the same day, Mr. Danson made it clear that substantially more federal funds will be available next year for such

programs as public housing, co-operative and non-profit housing to serve people with urgent needs. The minister recently asked for the co-operation of other levels of government, in helping to see that these people have, not just a safe and healthy place to live, but a place that allows them to live with some dignity and self-esteem.

The problem doesn't end there, however -- a fact that all of you already know. Rental accommodation, for example, is all but non-existent in some Canadian cities, and the already-serious problem is steadily deteriorating. This situation demands attention.

Another situation that would not have seemed possible even a few years ago is that many people who are reasonably affluent can no longer afford to buy their own homes. I am talking about the middle-income group, people whose incomes today range from about \$12,000 to \$18,000 annually, and who used to represent perhaps the most active segment of the home-buying public. Up until a few years ago, these middle-income families (whose income then, in non-inflated terms, is about the same as it is today) could usually afford to buy a house. The price of moderate housing was about twice their annual salary, interest rates were much lower, and the monthly pay-out was not excessive in terms of income.



Today it is. In most urban centres, the inflated cost of housing has far out-paced the concurrent rise in incomes. Families in the middle-income range find it difficult and often impossible to buy a house that costs as much as three times their annual salary and carries a mortgage at a much higher rate than ever before.

These people will make it in the long haul, but right now they need help. They are entitled to our consideration, and they require a financial boost to help them become established.

Many Canadians, I realize, are in an enviable position with regard to housing. They are the one who bought before prices and interest rates started to soar to their present levels. They can and do sell at prices that produce such substantial profits that they can easily move upwards to expensive housing that they otherwise could not afford. They are the lucky ones, and no one begrudges them their good fortune, or good timing, but there is no doubt that they have contributed to an important degree to rising house prices because they could and did compete for housing with unrealistic bids that put strong inflationary pressure on the entire market. This well-housed group has always held a preferred position with lenders, builders and municipalities, and one effect has been to divert housing production from the lower to the higher price ranges.

This pressure on the housing market must be curtailed so that prices remain fairly stable while production returns to more moderately priced housing.

These, then, are the most serious problems -- lack of rental accommodation; inadequate housing for hundreds of thousands of Canadians; the inability of many middle-income families to afford housing; insufficient production of moderately priced accommodation; and the inflationary pressures produced by people who are already well housed and improve their accommodation beyond reasonable need. These are the problems that the Federal Housing Action Program attacks.

I would like to provide a brief sketch of the objectives of the program, then give specific details on the new measures.

First, the federal government has set a goal of one million new housing units over the next four years. Most of these will be in the low and moderate-price ranges. As the first step towards this goal, we have set a target of 235,000 starts for 1976.

Second, we are going to concentrate on the provision of decent housing for low-income families through federal and federal-provincial social housing programs.

Third, we are going to give help to anyone who wants to buy a moderately-priced home. This will take the

form of assistance in bringing monthly carrying charges down to reflect an effective interest rate of eight per cent.

Fourth, we will stimulate production of rental accommodation through improvements to the present Assisted Rental Program as well as other means, so that builders can become more active in this field with the confidence that it will be a paying proposition. Federal assistance will, of course, continue to be coupled with agreed-upon rents.

Additionally, we are going to require lenders to substantially increase their investment in residential mortgages and to direct their funds largely into moderately-priced housing.

We are also going to require lenders to restrict the most favorable credit terms, which means high-ratio, low down-payment mortgages, to moderately-priced housing that falls within NHA loan limits. In this way we hope to impede the tendency of present home-owners to sell and then buy much more expensive housing, with the consequent inflationary results.

And finally, we are going to provide new incentives to municipalities to make residential development more financially attractive.

These measures are designed to make more good

quality, low-cost housing available to Canadians who want and need it. Companion benefits will be the restraint of inflationary pressures and the creation of more jobs.

Now, I would like to provide a more detailed explanation of the Federal Housing Action Program.

The decision to aim at one million starts over the next four years is based on what we know we will reasonably require up until 1980 to accommodate population increases, new household formations, the deterioration of existing stock and the migration of people from one part of the country to another.

As I mentioned earlier, our goal for 1976 will be 235,000 starts. It is important to keep in mind that this number of starts will mean at least 32,000 man-years of additional employment in the construction industry and in businesses that are affected by new housing, such as the manufacture and sale of appliances, furnishings and other household goods.

It becomes obvious that the 1976 target, if it is to be reached, will require more money from the institutions that invest in residential mortgages. In fact, we will need another \$750 million of private capital.

Lending institutions have been asked to increase their investment in residential construction and it is already evident that we will have their full co-operation.



Mr. Danson, has already announced that he will be setting up a mortgage review committee to establish targets with various groups of lenders and monitor their progress towards these goals and, particularly, to ensure an adequate regional distribution of available funds.

An additional feature that should be mentioned is that the Federal Mortgage Exchange Corporation will be operational by the first of next April. This will create a secondary market for mortgages, making them more liquid and, as a result, much more attractive as an investment.

I am sure that all of you, as builders, will recognize that the four-year commitment to a million starts provides continuity and consistency to the residential building market. You undoubtedly recognize the advantages of knowing, this long in advance, what your market is likely to be in two, three or four years.

The rental market has caused particular concern over the past few years. As I mentioned earlier, production of rental units in many parts of Canada is almost at a standstill. Production in this field dropped 23 per cent in the first part of the year, and vacancy rates across the country dropped to an average of 1.2 per cent. In some urban centres, the rate was much less than that.

Naturally, entrepreneurs cannot be expected to produce rental accommodation if it does not give a reasonable



return on their investment, and there is ample evidence that in many cases the rents that people are willing and able to pay, in relation to costs, do not provide that reasonable return. Obviously, in order to persuade you and other builders to invest in rental accommodation, you must have justifiable confidence in the viability of that market.

The Federal Housing Action Program is designed to produce this confidence in a number of ways. First, as you know, the Minister has announced that the capital-cost allowances will be available for at least two more years to people who invest in rental properties but don't make it their principal business. This will continue to make rental properties attractive to a number of individual Canadians who have money that they wish to invest.

The federal Assisted Rental Program has already proved to be successful in encouraging production of housing at moderate rentals, and the new program improves on it. The maximum annual assistance has been increased from \$900 to \$1,200 a unit. This increased assistance will now be in the form of an interest-free loan which is recoverable when the property is sold, refinanced upward or at the end of the amortization period of the initial first mortgage. Although the loan is interest-free during the period of support, it will be subject to the prevailing interest rate after that time. Naturally, builders will sign an agreement

with CMHC concerning rents and other matters.

Federal help for Canadians who wish to buy moderately-priced homes will be provided through an improved Assisted Home Ownership Program, which is probably the most popular and successful housing program ever introduced in Canada. As you know, for the past year there have been two versions of AHOP -- one funded federally and the other privately. I am sure all of you know how AHOP works, so I won't go into the details, but you will be interested in knowing that in 1975 the federally funded AHOP helped some 16,400 families of low or modest income to buy their own homes. More than \$460 million in federal funds was invested in the program. The privately-funded AHOP has attracted more than \$140 million since July.

The improvements to AHOP will extend its assistance to a wider range of people. As before, interest-reducing outright grants will continue to be available to families with children who want to buy a moderately-priced home but would have to pay out more than 25 per cent of their income in monthly payments. We have, however, increased the maximum grants in these cases from \$600 to \$750 per year.

Under the new AHOP, anybody who wants to buy a moderately-priced house, whether or not they have children, can get help from the federal government to handle the carrying charges during the first few difficult years while

they are getting financially settled. The help is in the form of a loan that is interest-free and does not have to be paid back for the first five years, or until the house is sold or refinanced upwards. After that time the loan is repayable and bears interest at the prevailing mortgage rate. The loan will be large enough to reduce their carrying charges to the level of an eight per cent mortgage.

The new AHOP will not only be important to people who need some assistance in becoming established as home-owners, it will, as past experience shows, have a significant impact on housing production.

This brings up the question of the type of housing that can be built within the NHA price limits. Experience under AHOP during the past few years has shown that many builders can produce well-designed, well-built, comfortable and attractive housing and still stay within the limits allowed by AHOP. It means, in most cases, that unnecessary frills must be avoided. Many buyers are quite happy to buy good housing at an acceptable price without a finished recreation room, or a double garage or terraced front lawn.

The acquisition of serviced land for housing purposes is far too often a serious roadblock to residential development. We understand the problem of many communities in committing land for new housing. Often, such a step



represents a net loss in municipal revenue, largely because property taxes do not meet the costs of servicing the land. We have in the past provided help to ease this problem in a variety of ways, such as sewage treatment assistance and, more recently, by making it a condition of land assembly that any profits are channeled back into the community in the form of land for recreational and community use.

Now, we are providing additional incentives to open up land for housing. We will pay the municipalities \$1,000 for every moderately priced, medium-density housing unit built within their jurisdiction. We are also extending beneficial loans and forgiveness grants for water treatment facilities and water mains, under the same terms that apply under our Sewage Treatment Assistance Program, where such facilities are used to open land for housing.

I am sure that all of you will realize that housing is an important factor in the fight against inflation because it has contributed, both directly and indirectly, to inflationary pressures. The Federal Housing Action Program is designed to help dampen inflation in the housing sector while stimulating industrial growth and employment.

The million starts we want over the next four years means a million jobs and some \$30 billion in resources. As Mr. Danson stated recently, "this is perhaps the largest

economic and social task that has marshalled Canadian resources and entrepreneurship in peacetime".

We will need a lot of help and co-operation from a lot of sources if we are to achieve our objectives. As builders, you are among the most important groups to us in our efforts to reach our target, and you will be one of the biggest beneficiaries of success. I know we can count on your initiative, your experience, your professionalism and your integrity in helping us to ensure that every Canadian has access to good, affordable housing and a safe and satisfying place in which to live.



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